A RESPONSIBLE PLAN FOR THE FINANCING, GOVERNANCE AND EVALUATION OF MARYLAND'S PUBLIC SCHOOLS

CITIZENS COMMISSION ON MARYLAND GOVERNMENT

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DEDICATION TO DR. JAMES E. ALLEN, JR. 2-6-13-39

It is with a deep sense of loss that we acknowledge the invaluable contributions of Dr. James E. Allen, Jr. to the Citizens Commission's Public Education Study. Dr. Allen's tragic and untimely death at the end of our study saddened all of us who had worked with him as a member of our national advisory panel. In numerous meetings and discussions we came to know him as a kind and sensitive man who never hesitated to offer us his time and assistance. We hope that our work reflects in some small measure the knowledge, depth of understanding and humanity which he shared with us.

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The Commission was able to engage an outstanding group of consultants who carried out a major research task with superb results:

Dr. Arthur E. Wise
Associate Dean, Graduate School of Education, University of Chicago: alternative financing plans for Maryland's schools, including questions of school finance, relationship to quality education, etc.

Dr. George B. Kleindorfer
Lecturer, School of Education, University of California at Berkeley: student enrollment projections through 1980 district by district; per-pupil expenditures and total operating costs projected through 1980 Network Model. Dr. Kleindorfer was assisted by Mrs. Michele Fortin, Paul Goldfinger and Stephen Rhoads.

Dr. James Guthrie
Associate Professor, School of Education, University of California at Berkeley, Deputy Director, New York State Commission on Cost, Quality and Finance of Public Education: design of a Statewide information, evaluation and accountability system.

Dr. Gerald Sroufe
Executive Director, National Committee for Support of the Public Schools: description and analysis of Maryland's current funding plan, including a school-by-school analysis in five districts. Dr. Sroufe was assisted by his staff, and by Dr. Robert Crain and Mrs. Carol Weisman, Center for the Study of the Social Organization of Schools, The Johns Hopkins University.

Dr. Anthony Cresswell
Director, Carnegie Education Center, Carnegie-Mellon University, Pittsburgh: data collection at the State and district levels.

Shelly Weinstein
Project Coordinator, Staff: coordination, writing and analysis of research reports and Executive Committee resource material.

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George S. Wills, Chairman
Citizens Commission on Maryland Government
Public Affairs consultant with
Hill & Knowlton; Former Public Relations Director,
The Johns Hopkins University;

Former Assistant to Dr. Milton S. Eisenhower
Chairman of the President's Commission on the Causes and Prevention of Violence (1968-69)

Members of the Executive Committee

Samuel Banks
Chairman, Commission on the Revision of the Social Studies
Baltimore City Schools

William E. Buchanan
Supervisor of External Relations at the Applied Physics Laboratory of The Johns Hopkins University

K. King Burnett - (dissents from Recommendations 1 & 11a)
Webb, Burnett and Simpson
Attorneys at Law
Salisbury, Maryland

* Hon. John C. Byrnes
State Senator, Baltimore
Attorney with Gordon, Feinblatt and Rothman

Rev. Vernon N. Dobson
Minister, Union Baptist Church

Dr. Homer Favor
Dean, Urban Studies Institute
Morgan State College

Dr. Elizabeth Geen
Dean and Vice President, Emeritus
Goucher College, Director Mt. St. Agnes Center

Martin B. Greenfeld
Attorney at Law

Joseph R. Hardiman
Robert Garrett and Sons

R. Smmuel Jett, Jr.
Attorney at Law

Mrs. Philip Macht
Attorney at Law

Milton H. Miller (concurs with dissenting statement)
Kornblatt and Fenneman:
Former member of the Baltimore County Council

A. Heaton Nash
Legal Department, Rouse Company

Miss Patricia Prime
Rouse Company

* Frank B. Proctor
Office of External Relations, the Applied Physics Laboratory of
The Johns Hopkins University

Frederick J. Ramsay, Ph.D. Med.
Assistant Dean and Director
Office of Student Affairs of the University of Maryland School of Medicine

Joseph R. Raymond
Attorney at Law

James W. Stevens, Jr.
Assistant Secretary-Treasurer,
Equitable Trust Company

Mrs. Charlotte Stanka
Baltimore, Maryland

Mrs. Pearson Sunderland, Jr.
President, Metropolitan Senior Citizens Center

* Members did not vote on each individual recommendation.

PREFACE

Since its beginning in 1967 as a group of Maryland citizens from all areas of the State, the Citizens Commission on Maryland Government has been concerned with the functions of government in Maryland at State and local levels. CCMG grew out of the Citizens Commission on the General Assembly whose report on the State Legislature recommended a substantial number of procedural changes to modernize the Legislature. Many of those recommendations have been adopted by the General Assembly. Since that report, we have engaged in studies of community action in Baltimore City, county home rule, and county government structure and services. The Commission has been supported by grants from private foundations including Carnegie, Ford, Meyer and Sears and by funds from Maryland foundations and individuals.

In our examination of local government responsibilities, budgets and resources, we became involved in questions of the financing of public education as the major item in county budgets. We found public schools in Maryland, as in most other states throughout the nation, were faced with a financial crisis. Every subdivision has reached, or is rapidly reaching, the limit of its ability to raise revenues to fund for education. Expenditures and disparities between districts were acute, and are growing larger. The level of school service quality was questionable in relation to the amount of money spent.

These problems were caused, at least in part, by reluctance on the part of the state to meet its responsibilities in finance and performance accountability. It became apparent that public school finance and related matters warranted a separate in-depth study.

Initial financial backing from the Greater Baltimore Committee and a generous grant, faith and confidence from the Ford Foundation enabled the Commission to conduct a detailed study of public education finance, structure and accountability in Maryland.

Several major questions provided the focus of our investigations. Can the State fulfill its responsibility for providing equal educational opportunity and quality education with its present method of financing schools? Can the twenty-four school districts carry out their delegated functions under the present school finance system? If not, what changes are necessary?

Outline of the Commission's Study

This report, which discusses the Commission's findings and recommendations, is the result of extensive research by several consultants and the Commission staff. The research proceeded along several lines. To define the roles and responsibilities of the State and local governments and the State and local boards of education in establishing and maintaining equal educational opportunity and quality education, the Commission examined the following: current law, including the Maryland Constitution and recent court decisions; current state and local funding formulas and contracts; Maryland statutes pertaining to education;

by-laws and administrative regulations issued by the State Board of Education.

Analyses were made of the actual distribution of educational funds in relation to school district characteristics (enrollment size, local tax base, tax effort, population density, growth) as well as the level of educational services offered. In five school districts--Baltimore City and Baltimore, Calvert, Montgomery and Prince George's counties--the Commission examined the relationship of the socioeconomic levels of students, the level of school services and student achievement on a school-by-school basis.

As a result of this research the Commission concluded that the present method of financing public schools in Maryland does not provide an equal opportunity for a quality education to all children in the State, and thus the State is not fulfilling its responsibilities in this area. Moreover, we found that the inadequacies and inequities of the current formula place added burdens on local school districts.

Criteria for Public School Finance Plans

In the second phase of the Commission's study we evaluated alternatives to the State's present method of financing schools with the following objectives:

1. Acknowledgement and reflection of the basic constitutional responsibility of the State; regardless of the level of local financial support;

2. Provision for equal educational opportunity and quality through the equitable collection and distribution of the State's resources without regard to tax base or geographic location;

3. Flexibility to accomodate changing educational needs determined by on-going evaluation and assessment of needs, objectives and performance;

4. Encouragement of the innovative and creative use of funds by local school districts and individual schools;

5. Provisions for more equitable and progressive tax burdens for public education;

6. Allowance for maximum local control of, and community participation in, the decisions regarding how educational funds are utilized; and

7. Responsible control of disparities in spending unrelated to educational needs or objectives.

A number of factors involved in the funding of public schools were considered by the Commission. Extensive projections and analyses of future school enrollments and educational costs through 1980 provided a sound basis for our deliberations. Prospective sources of funds for education and their implications for achieving equal educational opportunity and equity of burden upon the taxpayer were important aspects of our study. We also gave consideration to the implications of the various federal programs for education on any new State plan for school finance and to the impact of teacher salaries and collective bargaining on educational funds.

Overview of the Commission's Recommendations

The outcome of our examination of alternative methods to achieve equity in education funding, equity in taxation, greater productivity of the education dollar and maximum local participation in the educational process are the Commission's recommendations for:

1. an equitable and responsible State funding plan for public schools;

2. a revamped school governance structure with a restoration of local authority and participation in education; and

3. a statewide system of information collection and school performance evaluation.

Funding

The Commission's recommendations for a fully state-funded plan for financing the public schools provide for equal per-pupil expenditures throughout the state at the level of the highest spending school district. We recommend that the equalization of per-pupil expenditures be phased in over a period of three years. Local school boards would retain control on the numbers and salaries of professionals and non-professionals, with a limitation on the percentage of the local budget that could be allocated for professional salaries and fringe benefits. In addition, the Commission recommends a State "Fund for Excellence" to be used by local communities for the development of creative and innovative programs. The Commission recommends that its plan be financed primarily through a more progressive State income tax that would incorporate state assumption of the local income surtax ("piggy-back" tax). Other possible revenue sources include more equitable corporate franchise and income taxes.

School Governance

The Commission strongly urges increased local control of and community participation in local school matters. We recommend that the twenty-four school boards be selected locally, and that each of the districts determine their method of selection through referendum. In addition, we encourage the local development of plans for increased community involvement in the schools, including the option of community school boards for individual schools.

We concluded that broader participation and representation at the state level were necessary. Therefore, the Commission has recommended:

1. the expansion of the State Board of Education to nine members;

2. the creation of a Statewide Review Board whose membership would include a representative from each of the twenty-four local school boards to review school budgets and statewide per-pupil expenditure levels as well as recommend educational goals and objectives to the State Board of Education; and

3. a Capital Budget Planning Board to establish and review the State's school construction program.

Information and Evaluation

Finally, the Commission recommended the development of a statewide system of information-gathering and performance evaluation which would provide the information necessary for informed decision-making at state, local and community levels.

The Commission believes that its three major sets of recommendations are integral parts of an overall program which offers the State the basic framework to provide equal educational opportunity and quality education to all the children in Maryland.

PART I

INTRODUCTION: THE CRISIS IN THE FINANCING OF PUBLIC EDUCATION

During the last two years, The Citizens Commission on Maryland Government has conducted an extensive inquiry into the financing structure and accountability of the State's public school system which affects more Maryland citizens in a more basic and fundamental way than almost any other governmental service. In cost alone it is the largest single item in the budget, demanding approximately 35% of the State budget and 60%-70% of the city and county budgets. And yet in spite of its major importance to the citizens of the State, the public school system

- denies equal treatment to the beneficiaries of the service because of the methods of raising revenues and allocating funds for the service

- lacks an adequate system of evaluation of its performance as well as concrete objectives and goals on which to base its level of performance

- provides little opportunity for local participation in actual determination of policies and programs, in spite of the need for maximum community involvement

- has tripled in cost in the last ten years, increasing by over $500 million, while the number of students it serves has grown by 55%.

As a result of its study of the financing, accountability and structure of Maryland's schools, the Citizens Commission found that the State's present system of providing public education is not doing what Maryland taxpayers and their children have a right to expect from it. Because public education is such a vital component of our society and because it demands so much of the public resources, steps must be taken immediately to insure that Maryland's system of public schools be as effective and efficient as possible and that it provide, along with an equal educational opportunity for all children, a sound system of assessing student needs and achievements.

Public education in Maryland is, now in 1971, at a turning point; and it is clear that the State of Maryland must reconsider the viability of its present arrangement for financing its public schools.

Costs are rising faster than the available local revenues to pay for them. In 1968/69, current expenses for public education cost Maryland taxpayers $625 million; in 1969/70, $730 million. The latest preliminary figures for 1970/71 estimate current expenses at $840 million. While local subdivisions are reaching the practical limit on property tax rates, with education accounting for approximately 60%-70% of many county budgets, the State's share of education costs is surprisingly decreasing. It dropped to a low of 32.5% in 1970, compared with the 35.8% the State funded in 1968.

At the same time the costs are rising, disparities in educational expenditures among the school districts are expanding; although the purpose of the State's present financing plan is to equalize expenditures and insure that the wealth of the State as a whole supports the education of all of its children. In the school year 1969/70, the highest per-pupil expenditure in the State was $1,036

in Montgomery County. This per-pupil expenditure was 63% higher than the expenditure in Somerset County, which was $635 and the lowest in the State. Five years ago the difference between the high and low per-pupil expenditures was 42%.

In addition, school costs have increased in the last ten years by better than $500 million, while the school population has gone from 576,000 to 890,000 in the same ten years. Where the pupil population increased by 83% between 1950 and 1960, the education expenditures doubled during the same period. In the next ten-year period, 1960/70, the school population increased by 55%, and the education expenditures tripled. And there is little, if any, relationship between the rising costs, the effectiveness of our programs or our desired results.

What Can the Future Hold?

It is easy enough to quote the economic benefits, costs and growths attendant to an educated society. The economic benefits to the State in terms of human productivity for the State are measurable. The economic benefits to the State in terms of human investment for the excellence of man and his abilities are immeasureable.

Our estimations for school populations for 1980 project a dropping off of the population growth rate the State has experienced in the past ten years from 1960 to 1970. In 1969 State school population was 890,000: we project it to be at the same level by 1980. The State, in assuming its responsibility for the education of its children, may have the resources and machinery to develop the quality of its programs as opposed to an emphasis on quantity.

Our findings indicate the large metropolitan school system in our State has failed its consumers in turning out productive citizens. This same metropolitan area now has 70% of the welfare recipients, 40% of the unemployed.

In the short time we have worked on this project the data we have collected has become almost obsolete as a result of the drastic changes that occur each year. In 1968 we were talking about education costs to the State of $550 million. Before 1971 closes, the costs may reach $800 million. Information is not enough for man to meet the complex and technological world he is confronted with today. Learning will be as vital to the quality of his existance tomorrow as we knew knowledge to be the source of his social status yesterday. The ability to sort out, to seek out levels of truth and falsities and to make informed choices will determine the kinds and quality of interactions taking place between man and his world.

It is estimated a man will change his profession three times in his lifetime within the next generation because of the rapid scientific and technical changes our society will encounter. If any thought had been given to a "model school structure: for the year 2000 when we began our work it has been abandoned. The pace of change in technology, the speed with which knowledge becomes obsolete would make determining a "model" for the year 2000 an effort in futility. What has become apparent in our work is whatever education structure is proposed must be self-renewing, flexible to choices and above all afford the broadest educational opportunity for the individual's learning processes.

A large metropolitan school system which has 94% of its schools unable to reach national norms in reading has failed the populace as a learning institution. A state-funding scheme which encourages the relationship of wealth to educational services and ultimately to levels of achievement, raises the question of denial of equal protection to all of its citizens along with a moral question.

We assert the State cannot meet its legal, moral or fiscal responsibility to its school services under the present funding procedures. When the school population growth was two-thirds the growth of the prior ten-year period and the budget increased by over $500 million, and when the local governments' share increased by almost 6%--and still over the last five years the differences in per-pupil expenditures went from $115.00 to $425.00, an almost 300% increase in disparities--it would seem that the course of unplanned, spiralling and uncontrolled costs can no longer be afforded by the State without a call for major reform.

A plan to achieve equity in expenditures over three years, to obtain equity in taxation and at the same time to assess the needs and costs of programs would indicate that the rise in costs and the shift in expenditures we are proposing will come from much needed reform of our school finances rather than from the current unplanned, unequal and unpredictable State expenditure levels.

CHAPTER II

THE FAILURE OF MARYLAND'S EQUALIZATION FORMULA

Article VIII, Section I of the Maryland Constitution recognizes the fact that public education is traditionally and constitutionally a State function. It requires that the General Assembly "shall by law establish throughout the State a thorough and efficient system of Free Public Schools; and shall provide by taxation, or otherwise, for their maintenance."[2] At the same time, the State Legislature has recognized the particularly local aspects of, and concern for, education and the role that schools play in the local communities. It has therefore delegated certain aspects of the provision and maintenance of schools to the counties and Baltimore City. Maryland's law requires that local boards of education provide reasonably uniform systems of public schools designed to provide quality education and equal educational opportunity to all youth.[3] This delegation of functions does not remove the basic constitutional obligation of the State; it merely decentralizes to some degree the provision of the service.

The State currently participates in the funding of current expenses of its public school system through an equalization formula, first passed by the General Assembly in 1922. The formula has undergone revisions since its inception, but the principle behind the formula has remained the same. In 1968 the Report of the School Law Revision Commission defined that principle as holding the wealth of the State responsible for the education of the children of the State, regardless of who has the wealth and who has the children.[4] In actuality, however, the present equalization formula adds to the disparities in educational spending which are created fundamentally by differences in local tax bases

HOW THE FORMULA WORKS - ITS INEQUITIES

Historically, most states provide some form of equalization aid which is designed in some measure theoretically to equalize educational expenditures and, consequently, to equalize educational opportunity. Maryland has also followed this practice, and still, under this present formula, a child's educational advantage is determined by the wealth of the community in which he resides. These funding disparities defeat the principle of the state providing an equal educational opportunity through its resources.

Maryland provides aid through a basic program, known as the foundation program, of $370.00 per child. The State provides aid for numbers of new pupils at $30.00 per pupil. There is a density of population per square mile provision that allows $30.00 per pupil. (Currently this is applicable only to Baltimore City). The State government also provides for salary adjustments at $6645.00 per year per professional employee, incentive aid for the number of professionals hired and minimum guarantees.

Each subdivision is required to levy a tax the rate of which is a percentage of the local assessable real property and the net taxable income. It provides for a very minimal portion of a county's education expenditures. As the county's locally assessed tax base rises, the percentage it must tax for the previous year

goes down. It is this yield that makes up the $370.00 foundation program. Whatever the yield from this percentage, the State will make up the difference to reach $370.00. For example: in 1967/68 the percentage a local community had to tax for education was 1.228% of its assessable base, whereas it is estimated that for 1970 it was 1.042%.

The legislation makes the local share plus the state share come out roughly to the same amount each year. Currently this amount is $370.00.

There is no limit to what a local subdivision may tax to provide for school services above the foundation program.

The local community may use its general fund revenues for its school support. (There is no limitation on the kinds of taxes to be used for school services.)

This state-required county property tax levy, part of its share in the foundation program, is viewed as a state tax being collected by the county on behalf of the State. All counties spend far more than this State tax rate yields. In 1968/69 the lowest amount spent was $541.00 per pupil by Somerset County, while the State average per-pupil expenditure in 1968/69 was $712. However, State equalization aid stops at $370.00 per pupil for the foundation program; and amounts expended above that are paid by local tax sources. (See Table 1.)

Minimum Guarantee Provision

Minimum guarantees directly counteract the equalization concept of the foundation program. If the state share calculated under the formula, to reach $370.00, is too small or $0.00, a second formula is substituted and the State provides a minimum guarantee of $128.00 per pupil subject to certain adjustments. This calculation then is allocated in direct proportion to wealth. In 1968-69 the formula benefited only the four wealthiest counties in the state with the following per-pupil grants:

County	Minimum Guarantee Grant (per pupil)
Baltimore County	$ 61.00
Howard County	$ 19.00
Montgomery County	$111.00
Talbot County	$ 53.00

TABLE 1

DISPARITIES IN EXPENDITURES PER PUPIL FOR CURRENT EXPENSE, IN RANK ORDER, MARYLAND COUNTIES 1968-69

	Expenditure Per Pupil	Disparities	
		Distance from average	Distance from highest
TOTAL STATE	$ 712	-----	--164
County			
Montgomery	876	$+164	$----
Baltimore County	726	+ 14	-150
Prince George's	725	+ 13	-152
Baltimore City	717	+ 5	-159
Charles	683	- 29	-193
Howard	682	- 31	-195
Frederick	679	- 33	-197
Washington	672	- 40	-204
Kent	652	- 60	-224
Talbot	646	- 66	-230
Cecil	638	- 75	-239
St. Mary's	633	- 79	-243
Allegheny	633	- 79	-243
Queen Anne's	629	- 83	-248
Harford	621	- 91	-256
Anne Arundel	613	-100	-264
Caroline	597	-116	-280
Dorchester	591	-121	-286
Calvert	584	-128	-292
Carroll	582	-131	-295
Worchester	572	-141	-305
Wicomico	568	-144	-308
Garrett	543	-169	-333
Somerset	541	-171	-335

Minimum Salary Schedules

There is an adjustment for State minimum salaries paid in excess of the amount allowed in the legislation ($6645.00 per year per professional employee). If a district is required by the State minimum salary schedule to pay more for professional personnel than the average of $6645.00 per year, the State makes up the difference.

The State minimum salary schedule is based on years of teaching experience and education; the higher in each category, the higher the salary. Wealthier districts are better able to afford hiring the better educated, more experienced teachers. The minimum salary schedules in these wealthier districts are higher from the flat allowance of $6645.00 in the legislation than the minimum salaries in the poorer districts. In effect, this provision encourages the wealthier counties to hire the more expensive teachers.

Thus if a subdivision has a greater than average number of its teachers at lower levels of experience and therefore at lower salary levels its allowance is reduced. In 1970, Prince George's County, a rapidly growing county that needed to hire many beginning teachers with little or no experience, lost $1.6 million in State funds as a result of these provisions. Anne Arundel County Tost $500,000 and St. Mary's $250,000 under the same provisions. These provisions benefit those subdivisions that can afford to hire more teachers at higher salaries.

Incentive Aid

Under the formula's incentive aid provision for numbers hired, the State shares in the first $6,645 of salary for each teacher hired over the minimum number allowed, (46 professionals per 1000 students) up to a limit of 50 per 1,000 pupils. For each teacher above the minimum, the State pays either the same percentage as in the foundation program, or 35% of the $6,645, whichever is greater. The wealthier counties benefit from this provision in two ways: they can afford to hire a number of teachers in excess of the minimum; and, because of the 35% minimum aid guaranteed by the State, they receive proportionately more in relation to their local effort. In 1968/69 six of the wealthier counties benefited by the following per-pupil amounts:

County	35% Incentive and Guarantee - (amount per pupil)
Baltimore	$5.73
Howard	1.98
Montgomery	9.61
Prince George's	0.20
Talbot	3.85
Worchester	0.27

While there are other categories of aid for a variety of purposes, such as transportation, construction, education of handicapped children, etc., these aid categories are determined according to different criteria and have little relationship to the foundation program. Therefore, we omit them from this discussion. It is the basic provisions, a foundation program which provides only $370 per pupil, and incentive aid for numbers and salaries of professionals and minimum guarantees,

which fail to correct for the gross inequities in local wealth and fail to bring about equality of educational opportunity.

These features clearly contradict or cancel out the theoretical concept of Maryland's formula: via a vis, holding the wealth of the state responsible for the educational advantage offered a child rather than the wealth of the community in which he resides. In 1970, under the theoretical equalization formula the State share to the wealthiest county would have been minus 2.3% or no State funds. Under Maryland's current equalization formula this county received $18.3 million.[5]

Tax Effort and Tax Burden

Because education is financed largely from local revenues, one might think that citizens in Montgomery County, which spent $876 per pupil in 1968/69, valued education more than the citizens in Calvert County, which spent $584 per pupil. However, this is not a valid assumption when one considers the effort made by the respective counties to support education. Effort in this case can be measured by the portion of the available local tax wealth that a district spends for its schools. The local tax wealth is the assessed valuation of real property plus taxable net income. Table 2 shows the relationship between the tax bases, the per-pupil expenditures and the efforts of the twenty-four school districts.

It is evident from the table's figures that a major source of the disparities in educational spending is the disparity among the local tax bases. Two counties can exert essentially the same effort and yet obtain quite different per-pupil expenditures. For example, Montgomery County has an effort of 2.28%, and Calvert County 2.26%. Yet Calvert County spent $292 less per pupil than did Montgomery County. At the same time, one county can exert a lesser tax effort than some other counties and still obtain a higher per-pupil expenditure. Both Charles and Cecil counties made significantly greater efforts on behalf of their schools, yet spent $193 and $292, respectively, less per pupil than the highest spending county.

The wealth per pupil in Montgomery County for 1968/69 was $30,349, while in St. Mary's County it was $10,679 per pupil.[6] Because of Montgomery County's larger tax base, it had to exert only one third the effort of St. Mary's County to raise an additional dollar per pupil. The major cause of the disparities is further revealed by the yields of the local income surtax ("piggy-back tax"), a major source of revenue used to support education locally. The piggy-back tax yielded $30.75 per capita in Baltimore City, $70.90 in Montgomery County, $41.44 in Prince George's County, and $12.54 in Garrett County.[7] This same local resource (piggy-back tax) in 1970/71 made $365.65 available per pupil to Montgomery County and $40.31 available per pupil to Garrett County. It is not difficult to see that a district's local tax base largely determines the amount of money available for educating children who live in that district, and that it is the major source of disparities in spending and inequality of educational opportunity.

Since educational services must compete with other governmental functions for resources, other factors, such as tax effort and burden relating to Maryland's overall finance system and to the individual county units, must be considered. However, there is no appropriate measure which is meaningful except in relative terms. For this reason we will discuss Maryland, its counties, and Baltimore

TABLE 2

WEALTH, ENROLLMENT, CURRENT EXPENSES AND LOCAL EFFORT FOR PUBLIC SCHOOLS, MARYLAND COUNTIES 1968-69

LOCAL UNIT	TOTAL WEALTH For state aid purposes valuation of assessed real property and taxable net income*	Total No. of Pupils	Wealth Per Pupil	Per-Pupil Current Expenses except transportation**	Local appropriation for Public School as percent of wealth in state aid calculation
Total State	$17,480,305,099	835,324	$20,926	$712.33	2.43%
Allegany	296,093,380	16,425	18,027	633.21	2.51
Anne Arundel	1,128,524,043	64,984	17,366	612.59	2.37
Baltimore City	3,283,883,220	185,562	17,697	717.26	2.59
Baltimore	3,161,669,652	121,491	26,024	726.13	2.38
Calvert	71,327,599	5,340	13,357	583.91	2.26
Caroline	61,081,791	5,150	11,858	596.65	2.19
Carroll	257,886,828	14,441	17,858	581.72	2.55
Cecil	177,275,424	11,964	14,817	637.54	2.65
Charles	169,164,246	11,692	14,468	683.01	2.69
Dorchester	104,530,975	6,568	15,915	590.86	2.06
Frederick	370,461,091	18,426	20,105	679.27	2.45
Garrett	81,039,430	5,283	15,339	543.23	1.52
Harford	430,682,353	27,008	15,946	620.85	2.15
Howard	310,601,886	13,710	22,655	681.65	2.25
Kent	74,299,592	3,590	20,696	652.42	2.42
Montgomery	3,540,921,356	116,672	30,349	876.40	2.28
Prince George's	2,837,900,736	141,259	20,090	724.88	2.68
Queen Anne's	79,216,263	4,443	17,829	628.84	2.13
St. Mary's	101,916,535	9,544	10,679	633.23	2.04
Somerset	48,939,337	4,472	10,943	541.36	1.80

LOCAL UNIT	TOTAL WEALTH for state aid purposes valuation of assessed real property and taxable net income*	Total No. of Pupils	Wealth Per Pupil	Per-Pupil Current Expenses Except Transportation**	Local appropriation for Public School as percent of Wealth in State Aid Calculation
Talbot	116,959,740	4,531	25,813	646.29	1.89
Washington	405,493,907	22,558	17,975	672.04	2.29
Wicomico	230,594,619	13,609	16,944	568.37	2.11
Worcester	139,841,096	6,598	21,191	571.56	1.97

* 1967 real estate plus 1966 taxable income.

** Current expenses include operating costs of local systems excepting debt service and school construction funds.

City relative to other states and governmental units. In 1968 Maryland collected $1,636 million in general revenue from its own sources. Table 3 shows Maryland's standing on an overall measure of relative effort (state and local taxes and charges per $1,000 of personal income).

Here we see that Maryland ranks thirty-second in state and local tax effort. Maryland's position changes (in terms of higher effort) when only direct personal taxes are considered. [8] On this measure Maryland ranks number 18, with 8.5% of all personal income paid out in direct, personal, state and local taxes.

This latter figure is more a measure of tax burden, which refers to the ability and tax effort of the citizens under a particular jurisdiction, than of tax effort, which is the ability and effort of a governmental entity. The differences in rank, thirty-first for all taxes and eighteenth for direct personal taxes, suggests that among the states, Maryland places a relatively higher emphasis on taxes on individuals than on business activity.

In terms of the overall level of resources to tax, Maryland's rank of seventh among the states in personal income per capita ($3,742) suggests that the resource base exists.

Availability to resources in the State as a whole does not, however, give us any indication of the distribution of resources and tax effort among the counties and cities of the State. This is a fundamental consideration in any discussion of tax burden and local resources within the State.

The Advisory Commission on Intergovernmental Relations (ACIR) measures tax burden by estimating the total yearly taxes paid to state and local governments by a family of four with a gross annual income of $10,000. Based on this measure Baltimore City ranks first among the large cities in the country: ACIR'S hypothetical family in Baltimore City pays $1,121 per year in State and local income, sales and property taxes. This level of tax burden is almost twice the national average of $676 and three times the level in Charleston, West Virginia--$387, the lowest tax burden among the major cities.

The level of disparities in tax burden for Baltimore City is further illustrated by a comparison of tax burdens for the nation's sixty-five largest Standard Metropolitan Statistical Areas (SMSA's).[9] Among this group, the Baltimore SMSA ranks thirty-fifth in tax burden.[10] Although Baltimore City's burden is quite high, the burden of the SMSA is relatively much lower when the other counties are added. The disparity between the tax burden of Baltimore City and the counties surrounding it, which compose the rest of the Baltimore SMSA, is evident in the following comparison: per capita taxes in Baltimore City are $193; per capita taxes for the "Outside of Central City" portion of the SMSA are $127.

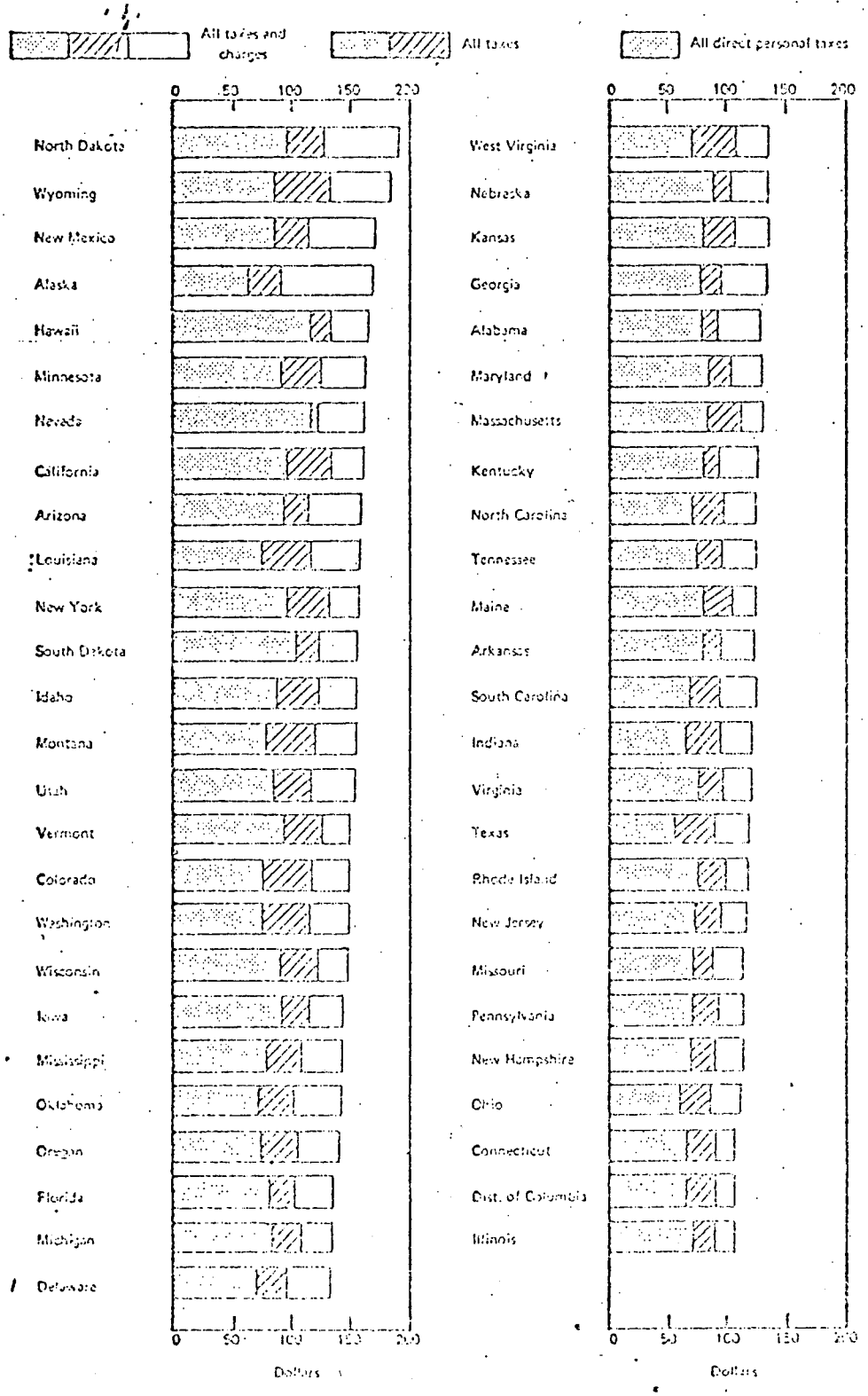
County Tax Burdens

For the most accurate comparisons between the data just discussed in the section on inter-state comparisons, the same measures should be used. However, this is not completely feasible once we get inside the borders of a state, especially one as compact as Maryland. This is because the revenue figure used to calculate bur-

FIGURE IV

STATE AND LOCAL TAXES AND CHARGES PER $1,000 OF PERSONAL INCOME, BY STATE, 1968

(Ranked from high to low—all taxes and charges)



Source: Advisory Commission on Intergovernmental Relations, State and Local Finances: Significant features, 1967-1970.

den in the previous section is based on direct personal taxes, including sales taxes. To estimate these numbers, it is necessary to ignore interstate commerce: that is, the sales taxes paid by Maryland residents out-of-state, and the taxes paid by non-Maryland residents within the State. When dealing at the state level, this assumption introduces relatively little error. Within the State, however, we have a different story. Four jurisdictions account for over 70% of the retail sales volume. Obviously, Baltimore City, Baltimore County, Montgomery and Prince George's Counties are major retail sales centers for the Baltimore-Washington region. To say that the burden of retail sales taxes paid in those places falls on their residents only would introduce a substantial error. It would be possible to estimate what a normal retail sales tax burden would be for other counties using national averages. But assigning the surplus to other counties would have to be done in a rather arbitrary manner.

Instead of using sales tax revenues for burden calculations, therefore, we will omit them and use only property and income taxes. Tax burdens for the twenty-four Maryland units are shown in Table 4.

Further comparison of tax burdens among the twenty-four subdivisions in the State reveal that disparities in tax burden are the most striking in the area of local property taxes. Tax burdens calculated on the basis of State and local property taxes and income taxes are displayed in Table 4. The figures reveal that the lowest property tax burden is less than one-half of the highest property tax burden. The addition of State and local income taxes tends to reduce the magnitude of these disparities since income taxes are graduated and tend to fall more heavily on higher income levels. However, even with the inclusion of the income tax, the highest total tax burden is 1.6% times that of the lowest. For each $1,000.00 of personal income the residents of Garrett County pay $1.60 in State and local property and income taxes for each $1.00 paid by residents in Allegany County.

A comparison of governmental expenditures between Baltimore City and the surrounding counties which comprise the rest of the Baltimore SMSA demonstrate the disapities in the demands on the tax dollar between the two areas. The exhibit below shows that although total expenditures for the "Central City" (CC) far exceed the total expenditures for the "Outside Central City" (OCC) area, expenditures for education are higher in the suburban counties.[11]

Per Capita Total Educational and Non-Educational Current Expenditures, Central City and Outside Central City, 1967-68

	Total Expenditures		Education		Non-Education	
	CC	OCC	CC	OCC	CC	OCC
Baltimore	$324	$201	$105	$124	$218	$77
Average of 37 largest SMSA's	$325	$260	$111	$143	$214	$117

If tax effort in the Central Cities were low, one could argue that their lower expenditures on education are a reflection of a lower demand for education among the population of the Central Cities. But the level of tax effort is higher in the cities. One could also argue that the lower expenditures on education in the Central Cities is a reflection of different priorities: that is, the residents of the Central Cities prefer to spend their tax dollars for other governmental services rather than for education. A third alternative is that the nature of

TABLE 4

TAX BURDEN FOR MARYLAND COUNTIES IN TAX REVENUE PER $1000 OF PERSONAL INCOME, 1968-69

County	Local Property Tax	State Property Tax	State Income Tax	Local Income Tax	Total
Allegheny	$ 72.50	$ 5.00	$ 46.60	$ 21.00	$145.10
Anne Arundel	79.00	4.63	56.40	16.90	156.93
Baltimore	85.00	4.10	54.90	19.20	163.20
Balto. City	136.00	4.90	48.60	24.30	213.80
Calvert	98.00	7.40	55.00	27.50	187.90
Caroline	73.00	5.48	42.80	25.10	195.70
Carroll	83.10	6.10	52.60	26.30	168.10
Cecil	84.00	5.54	41.30	25.60	156.44
Charles	105.00	7.10	55.40	27.70	195.20
Dorchester	82.90	5.90	45.70	21.50	156.00
Frederick	88.00	6.50	52.90	26.50	173.90
Garrett	150.00	11.30	49,10	22.10	232.50
Harford	72.40	5.70	55.80	22.40	156.30
Howard	97.00	6.30	62.30	15.70	181.30
Kent	107.00	8.20	51.90	27.80	194.90
Montgomery	68.70	4.40	59.00	20.70	152.80
Prince Geo.	77.00	4.56	55.60	25.00	162.16
Queen Anne's	113.00	8.40	54.30	11.30	187.00
St. Mary's	91.00	6.80	56.10	28.10	182.00
Somerset	99.00	7.80	52.90	18.70	178.40
Talbot	86.00	6.48	60.30	21.30	174.08
Washington	68.60	5.40	49.70	22.40	146.10
Wicomico	75.00	6.48	49.90	18.10	149.48
Worcester	146.00	12.40	53.60	10.90	222.90

Sources: Summary Report, Resident Individual Income Tax Return Filed for the Year 1968, Controller of the Treasury, Income Tax Division, Maryland, June, 1970.

Twenty-Seventh Biennial Report of the State Department of Assessments and Taxation, Maryland, January, 1969.

the population of the Central City requires a higher level of governmental services for non-educational functions. The third alternative is supported by data which show that cities have higher proportions of welfare recipients, aged, handicapped and other segments of the population which makes a greater demand on governmental services.

An additional claim on the tax dollar in the Central City is the extra demand for governmental services due to the high traffic of commuters in and out of the city and the high daytime population of workers who leave the city each evening. This problem of municipal overburden is common to all highly urban areas, as illustrated in the exhibit above.[12] Governmental expenditures for the Baltimore SMSA follow the pattern of the average governmental expenditures of the thirty-seven largest SMSA's.

Table 5 shows the differences in costs of other governmental services among the subdivisions; the figures reveal that Baltimore City has the highest equivalent tax rate, $3.58. If this same rate were to be levied in all subdivisions it would produce the additional revenues per pupil shown in the last column of the table. If this were the only factor involved, each of the counties could support education expenditure levels higher than Baltimore City to the extent shown in the table and with the same tax effort.

The present pattern of intergovernmental aid does little to redress this inbalance. Below is a comparison of intergovernmental aid for the Baltimore SMSA with averages for the thirty-seven largest SMSA's. The figures report total aid, broken down into educational and non-educational components.

Per Capita Intergovernmental Aid: Educational and Non-Educational City and Outside of Central City 1966-67[13]

	Total Expenditure		Education		Non-Education	
	CC	OCC	CC	OCC	CC	OCC
Baltimore	$174	$101	$40	$65	$134	$36
Average of 37 largest SMSA's	$128	$100	$48	$64	$ 80	$36

The large amount of non-educational aid received by Central Cities can be accounted for largely by payments for welfare systems and Aid to Families with Dependent Children, most of which is supported by federal grants. The overall disparity in support for educational programs in the Baltimore SMSA is even greater than that observed for the average of large SMSA's.

Thus we see that Maryland's present formula for equalizing educational expenditures among districts through reduction of the disparities resulting from differences in tax bases and tax burdens does not accomplish its goal. Tax efforts and tax bases prove to be inadequate measures for current equalization formulas. The use of these measures in our current formula has resulted in direct proportionate relationships to the tax base of a community rather than the inversely proportionate distribution necessary to achieve equalization.

The Commission to Study the State's Role in Financing Public Education (appointed by Governor Marvin Mandel and chaired by Harry R. Hughes) pointed to these growing disparities in educational expenditures among subdivisions.[14]

TABLE 5

EFFECTS OF OVERBURDEN

Local Unit	Local Government Revenue From Own Sources Less Appropriation to Schools			Yield of $358 Tax Rate		Additional From $3.58 Tax Rate	
	Total	Per Capita	Equivalent Property Tax Rate	Total	Per Capita	Total	Per Capita
Total State	$303,228,990	$ 81	$2.03	$535,129,837	$142	$231,900,847	$280
Allegany	3,887,690	45	1.40	9,907,006	114	6,019,316	368
Anne Arundel	13,255,056	46	1.43	33,270,587	116	20,015,531	310
Baltimore City	108,198,724	121	3.58	108,198,724	121	-	-
Baltimore	48,700,996	82	1.92	90,671,412	153	41,970,416	347
Calvert	542,262	28	0.83	2,345,079	121	1,802,817	333
Carolina	595,696	30	1.11	1,920,061	98	1,324,365	262
Carroll	2,081,030	32	0.82	9,112,031	142	7,031,001	487
Cecil	1,438,726	27	0.91	5,666,138	107	4,227,412	358
Charles	1,131,849	27	0.70	5,806,080	136	4,674,231	400
Dorchester	2,158,720	74	2.26	3,418,256	117	1,259,536	198
Frederick	3,828,608	45	1.07	12,761,662	148	8,933,054	490
Garrett	961,740	41	1.19	2,882,007	122	1,920,267	365
Harford	4,332,011	40	1.10	14,045,199	130	9,713,188	363
Howard	4,351,480	79	1.52	10,276,426	186	5,924,946	431
Kent	735,611	46	1.00	2,622,028	165	1,886,417	534
Montgomery	59,240,053	127	2.09	101,247,663	217	42,007,610	361
Prince George"s	33,692,220	55	1.47	81,980,783	133	48,288,563	345
Queen Anne's	592,326	33	0.73	2,887,377	162	2,295,051	522
St. Mary's	1,392,449	32	1.42	3,518,889	80	2,126,440	226
Somerset	753,788	39	1.50	1,802,387	93	1,048,599	237

Local Unit	Local Government Revenue From Own Sources Less Appropriation to Schools			Yield of $358 Tax Rate		Additional From $3.58 Tax Rate	
	Total	Per Capita	Equivalent Property Tax Rate	Total	Per Capita	Total	Per Capita
Talbot	1,616,320	73	1.41	4,091,618	184	2,457,298	552
Washington	5,232,317	48	1.41	13,323,579	123	8,091,262	361
Wicomico	2,354,873	44	1.05	8,019,680	150	5,664,757	420
Worcester	2,154,445	82	1.44	5,355,215	204	3,200,770	494

Per-Pupil expenditures for Current Expense (excluding Federal Funds)	
1964 Range	$352 to $468
1971 Range	$599 to $1,027
1964 Average	$390
1971 Average	$794

Salary level of teachers	
1964 Range	$5,103 to $7,230
1971 Range	$8,110 to $11,932
1964 Average	$6,226
1971 Average	$10,091

In its Background Book the Commission to Study the State's Role in Financing Public Education graphically summarized the effects of the present system's provision of State funds for operating costs in 1968/69 with calculations for two subdivisions:

	County A	County B
1. Wealth per pupil	$30,349	$20,090
2. Local Tax Levy Rate	1.96%	2.18%
3. Local Tax Levy - Revenue per pupil	$594.84	$437.96
4. State Aid per pupil	$144.76	$134.27
5. Total available per pupil 3. + 4.	$739.60	$572.23
6. Total available had both levied 2.18% rate	$806.37	$572.23

Counties A and B are geographically adjacent to each other and may be assumed to have similar educational needs, in that they would have to pay comparable salaries, etc. County A has 51% more wealth per pupil than B; taxes itself at a rate 10% lower than B; realized a return per pupil from its own tax 36% greater than B; actually received 8% more State aid per pupil than B; and was able, with less effort, to spend $167.37 or 29% more for the education of each pupil than B. Had County A taxed itself as heavily as B, it could have expended $234.14 more per pupil.

The principle of the State's formula is to reduce among the subdivisions the differences in tax wealth as a determinant of a child's educational opportunity; but minimum guarantees, low foundation levels, and dollar incentives for higher paid personnel defeat this aim. By enabling one county to spend more money with less effort than another county and thus receive more dollars in return from the State, the current formula in fact stimulates the increasing disparities among districts in school spending.

INEQUALITIES IN EDUCATION

There are many influences on a child's education, including his community, his family and the school he attends. Although a child's experiences outside the classroom will vary, the public school system at least has an obligation to insure that its educational offering be of high quality for all children.

The problem of precisely defining quality in education is a difficult one. When one asks for a list of high-quality schools, one usually receives a list of a few

well-known suburban schools. When one asks for a list of low-quality schools, one usually receives a list of urban and rural schools. There is clearly a deficiency in the approach of defining quality in education by the reputation of schools. So-called high-quality schools are characterized by one set of variables: high expenditures per pupil, low teacher-pupil ratios, fine physical plants, innovated programs. Low-quality schools are characterized by a different set of variables: relatively low expenditures per pupil, high teacher-pupil ratios, poor physical plants.

Educational quality is also measurable in part, and includes such variables as the nature and number of programs available, performance by students on generally accepted tests, student and teacher attrition within the system, student growth in terms of expectations and acceptance of education, college acceptance, employment, and other generally accepted criteria for measuring this concept. Even if one accepts as the defining characteristic of quality in education the level of educational achievement, and this is by no means the only defining criterion, one is left with the obvious and curious finding that higher educational achievement is associated with not only favorable socioeconomic variables but also high levels of school inputs. The converse is true with respect to lower educational achievement.

While more money can buy more educational services--more and better teachers, books, special instructors and programs, laboratory equipment, etc.--these educational services do not automatically mean a better education. Other vital factors include sensitive, dedicated teachers, parental concern and participation, and an environment and community conducive to learning. Particularly in the State's urban areas the problems in education are integrally involved with other societal and economic demands which must be met. The Citizens Commission does not believe that dollars alone will provide quality education without the other factors. However, the educational services which money can buy provide the tools and facilities which allow the other components of quality in education to be most effective; thus educational services do contribute to a greater opportunity to receive a quality education. When disparities in expenditures for education among districts are based on the tax bases of these districts and not on educational needs, significant differences in dollars can mean disparities in the quality of education.

Certainly there are limits as to what money can do in the nature of quality. It is reasonable to assume that education, like any other system, can absorb just so much of any variable and that at that point the law of diminishing returns takes effect. In the extreme there would be little difference between the quality of education received by a student on whom $100,000 had been spent and the quality of education received by a student on whom $200,000 had been spent.

Maryland has not reached this extreme in expenditures for education; the State's educational expenditures are at a level where significant amounts of money can affect the quality of education received by a child. Although no one can guarantee that for every additional dollar spent there would be a corresponding increase in quality, neither can the State defend spending several hundred dollars more on one student than on another on the basis of local tax wealth, with little

or no determination of, or relationship to, educational needs and performance.

The Commission's examination of expenditures for education, instructional costs, pupil services and teacher characteristics in Maryland's schools suggested that there is a direct and positive relationship between a school district's tax base and the level of educational services provided to the students in that district. In Table 6 the twenty-four subdivisions are ranked according to the tax wealth available for each pupil from highest to lowest, and they are grouped in quartiles of six subdivisions. The difference between the ability of the subdivision with the highest tax base (Montgomery County) to support education and the ability of the subdivision with the lowest tax base (St. Mary's County) is nearly $20,000. An examination of the averages (unweighted) of the counties in the top quartile and the bottom quartile revealed that counties in the top quartile have twice the ability to support education as those in the bottom quartile. Most importantly, the rank order correlation between wealth and per pupil expenditures indicated that wealth and expenditures are related. (Although not a perfect relationship, the correlation of $r_s = .576$ may not be regarded as unrelated.)

Public schools provide many services to their students: faculties, courses of study, guidance and vocational counseling and instructional materials. However, of the services provided by schools the quality of teachers is one of the most vital factors in the educational attainment of students.[15] The results of our study indicated that those districts with highest tax base for education pay higher salaries. Table 6 illustrates the relationship between a subdivision's wealth and teacher salaries. When we examined wealth and average teacher salaries by quartile, we discovered a step-level function: as district wealth decreased, the average teacher salary within the district decreased.[16]

Few people would question that there are many fine teachers receiving well below the highest salaries in Maryland. Nevertheless, all other factors being equal, the dynamics of the market place, particularly in the recruitment of new teachers, operate in education as in business. Also, those factors which generally are synonymous with quality teacher attributes--experience, advanced degrees, etc.--are in a large measure a function of salary. Table 7 offers undeniable evidence that these factors attributable to quality, teachers with more experience and those who have Masters degrees, are more likely to be found in school districts that pay higher salaries. The conclusion that the quality of professional staff is significantly higher in wealthy counties seems inescapable.

There is a statistic that many regard as an important indicator of a quality education program--the per-pupil expenditure for instruction. Per-pupil instructional costs include professional salaries and instructional materials, namely those items that most directly affect what happens in the classroom.

Table 8 presents the average instructional cost for each of the wealth-determined quartiles. It is clear that instructional costs are positively related to county wealth and that the "average" county in the top quartile spends over $80 more for instructional services, for each of its children, than the "average" county in the low quartile.

If we assume that there are, conservatively, but 25 pupils in a classroom, the wealthy counties in the top quartile spend at least on an average of $2000 more in each classroom than the poorer counties in the bottom quartile.

TABLE 6

COUNTY WEALTH AND EDUCATION EXPENDITURE IN MARYLAND

County	Wealth Per Pupil	Education Expenditure Per Pupil	Rank in State Expenditure Per Pupil
Montgomery	$30,394	$876.40	1
Baltimore	26,024	726.13	2
Talbot	25,813	646.29	10
Howard	22,655	681.65	6
Worcester	21,191	571.56	21
Kent	20,696	652.42	9
	average = 24,455	average = 692.41	
Frederick	20,105	679.27	5
Prince George	20,090	724.88	3
Allegany	18,027	633.21	13
Washington	17,975	672.04	8
Carroll	17,858	581.72	20
Queen Anne	17,829	628.84	14
	average = 18,667	average = 653.32	
City	17,697	717.26	4
Anne Arundel	17,366	612.59	16
Wicomico	16,944	568.37	22
Harford	15,946	620.85	15
Dorchester	15,955	590.86	18
Garrett	15,339	543.23	23
	average = 16,561	average = 608.86	
Cecil	14,817	637.54	12
Charles	14,468	683.01	7
Calvert	13,357	583.91	19
Caroline	11,858	596.65	17
Somerset	10,943	541.36	24
St. Mary	10,679	633.23	11
	average = 12,687	average = 612.61	

$r_s = .576$

TABLE 7

RELATIONSHIP BETWEEN WEALTH AND AVERAGE TEACHER SALARY IN MARYLAND COUNTIES

County	Quartile	Average Wealth Per Pupil for Counties in Quartile	Average Teacher Salary for Counties in Quartile
Montgomery Baltimore Talbot Howard Worcester Kent	I	$24,455	$9,342
Frederick Prince George Allegany Washington Carroll Queen Anne	II	18,667	9,143
City Anne Arundel Wicomico Harford Dorchester Garrett	III	16,561	8,844
Cecil Charles Calvert Caroline Somerset St. Mary	IV	12,687	8,496

TABLE 8

RELATIONSHIP BETWEEN AVERAGE TEACHER SALARY AND PROFESSIONAL CHARACTERISTICS OF TEACHERS IN MARYLAND COUNTIES

Quartile 1	Average Salary	Experience (per cent with 0-3 years experience)	Education (percent Masters degree) Elementary	Secondary
1	$9.955	25.8	29.3	35.6
2	9,165	31.7	18.9	25.9
3	8,491	37.2	12.8	22.4
4	8,213	43.1	6.2	14.9

1. Quartile determined by ranking all counties according to average teacher salary. Consequently, dollar amounts shown differ slightly from those given in Table 7 where counties were ranked according to wealth of county.

Montgomery County had the highest per pupil instructional cost, $628; and Queen Anne's County had the lowest, $383, with a difference between the two of $245. By determining what this per-pupil difference can mean in terms of one classroom, the disparities in educational programs become more significant. Assuming the same 25 pupils in a classroom, we see that Montgomery County was able to spend approximately $6,000 more per classroom than Queen Anne's County.

While most people will agree that small differences in per-pupil expenditures have little meaning, one may confidently assert that inequalities of educational opportunity exist when the differences between two counties in classroom expenditures vary by $6000.00. And a group of counties spends over $2000 more in every one of its classrooms than does another group of counties.

Table 9 also indicates the expenditures for pupil personnel services, which include the cost of guidance and counseling, school social workers and other related activities that support the instructional program. The disparities between individual districts are great: Montgomery County spends about $13 per pupil, while Wicomico County spends little more than $2 per pupil.

In contrast to the instructional costs, pupil personnel costs did not decrease consistently as county wealth decreased. While the school districts in the top quartile spent the most per pupil for personnel services, the districts in the bottom quartile spent more than those in the second or third quartiles.

However, a comparison of the incidence of low income families within each county with expenditures for pupil personnel services revealed that the expenditures for pupil personnel services were often related to county wealth rather than to the needs of students. Montgomery County had the smallest percentage of children from low income families in its schools (1.5%) and Cecil and Calvert counties had the largest (35.0% and 35.0%). Yet Montgomery County spent over twice as much on pupil personnel services than Cecil and Calvert Counties. This relationship persisted even with the addition of Federal aid to State and local expenditures. Indeed, as may be seen in Table 10, analysis of expenditures for pupil personnel services revealed little relationship to the needs of school districts as indicated by the percentage of students from low income families.

TABLE 9

RELATIONSHIP BETWEEN WEALTH, INSTRUCTIONAL COSTS AND PROVISION OF PUPIL PERSONNEL SERVICES IN MARYLAND COUNTIES

Counties 1	Quartile	Average Instructional Costs (per pupil) 2	Pupil Personnel Services (per pupil 2
Montgomery Baltimore Talbot Howard Worcester Kent	I	$501	$6.41
Frederick Prince George Allegany Washington Carroll Queen Anne	II	468	3.96
City Anne Arundel Wicomico Harford Dorchester Garrett	III	430	4.30
Cecil Charles Calvert Caroline Somerset St. Mary	IV	422	5.56
		range $245	range $10.88

1. Counties ranked according to wealth per pupil

2. Costs exclude Federal aid with the exception of monies provided under Public Law 874

Source: Selected Financial Data, Maryland Public Schools and Community Colleges, 1968-69: Analysis of per Pupil Costs, Maryland State Department of Education, 1970 (mimeographed).

TABLE 10

RELATIONSHIP BETWEEN EXPENDITURES FOR PUPIL PERSONNEL SERVICES AND NUMBER OF CHILDREN FROM LOW INCOME HOMES IN MARYLAND

Counties	Quartile 1	Percentage of Children from Low Income Homes %	Expenditure for Pupil Personnel Services (per pupil)
Calvert Cecil Worcester Charles Wicomico City	I	30.5	$4.70
Kent Caroline Washington Garrett Queen Anne Anne Arundel	II	23.0	$5.15
St. Mary Frederick Allegany Talbot Howard Dorchester	III	13.7	$4.82
Prince Geo. Carroll Harford Baltimore Montgomery	IV	5.20	$6.00

1. Quartiles are determined by ranking counties according to the percentage of children from low income families in each (range from Calvert 35.9 to Montgomery 1.5). The fourth (low) quartile contains only 5 counties as data not available for Somerset.)

A FIVE DISTRICT STUDY OF STUDENT ACHIEVEMENT AND EDUCATION RESOURCES

The Commission selected five school districts for more detailed study on a school-by-school basis of student population characteristics, distribution of educational services and school achievement. The five districts--Baltimore City, Baltimore, Calvert, Montgomery and Prince George's counties--represent a broad cross section of the State. Suburban, urban and rural areas, and both densely and sparsely populated areas are represented, and there is a great variation in available tax resources among the districts. The factors used in the school-by-school study were teacher characteristics (salaries, etc.), student characteristics (numbers from low income families) and student achievement (scores on reading and arithmetic tests as compared to national norms.)

In the comparison of the teacher factor, the school-by-school analysis within a county revealed that each of the five districts studied seemed to make every effort to distribute teachers equally among their schools within the district. However, in each of the five districts, schools with higher numbers of children from low income families had lower achievement. This was true for Baltimore County and Montgomery County, where the percentages of low income children were very small, both county-wide and in individual schools. In Montgomery County, for example, where the majority of the schools exhibited high achievement, the schools with the higher number of low income children had the lowest achievement scores. (See Appendix A, "Equality of Educational Opportunity in Maryland: A Status Report," for the complete analysis of the data on the five districts studied). Table 11 summarizes the relationship between the socioeconomic level of students with achievement levels.

Montgomery County has the lowest percentage (1.5%) of school children from low income families in the State. About 80% of the County's schools were characterized as high achieving schools, and less than 20% were characterized as low achieving schools. Based on the data collected in the Commission's study, no more than 20% of the schools were characterized as low achieving in any of the grade levels or subject matters tested. Lower school achievement levels seemed to be associated with higher numbers of students from low income families. Tables 12, 13 and 14 illustrate this association at the elementary, junior high and high school levels.

When the district-wide achievement averages were compared with wealth per pupil, they further illustrated the association of low achievement with higher levels of low income families. Table 15 shows that Baltimore City, when compared to Baltimore and Montgomery Counties, has a much higher percentage of children from low income families, has a lower tax base, exerts a greater tax effort for education, has a lower per pupil expenditure, and much lower achievement levels.

The school-by-school analysis in the five selected districts seems to indicate that at least in all five districts the Commission studied, lower achievement levels are associated with higher poverty levels, even in those districts with very small percentages of students from low income families. These results were found despite apparent efforts by districts to distribute teachers evenly throughout their schools. Furthermore, district averages of achievement levels were associated with the level of wealth of those districts--lower tax bases, lower achievement levels; high tax bases, higher achievement levels. Thus, while some

TABLE 11

SUMMARY TABLE FOR FIVE COUNTIES

COUNTY	N*	%**	GRADES STUDIED	%N TITLE I	% N BELOW NAT'L NORM IN READING ***	%N BELOW NAT'L NORM IN ARITHMETIC ***
Baltimore City	170	70%	3,7,9	54%	94%	87%
Baltimore County	132	85%	3,7,10	36%	14%	21%
Calvert County	12	86%	3,(5),8	75%	54%	55%
Montgomery County	170	91%	3,7,11	24%	32%	26%
Prince George's County	196	86%	(3), 5,8,10	22%	43%	35%

* N = number of schools for which achievement data were collected

** N as percent of total number of schools in county

*** For Baltimore City and Prince George's County, schools were considered to be performing below the national norm if the average percentile score for a grade level in that school was less than .50.

For Baltimore County, Calvert County, and Montgomery County, schools were considered to be performing below the national norm if more than 23% of the students in a grade level in that school scored below the 23rd percentile on the test.

TABLE 12

READING AND ARITHMETIC ACHIEVEMENT SCORES, TEACHER CHARACTERISTICS AND STUDENT CHARACTERISTICS IN MONTGOMERY COUNTY (ELEMENTARY SCHOOLS)

I. ARITHMETIC ACHIEVEMENT

ACHIEVEMENT LEVELS*	POVERTY LEVEL** (Avg.)	AVERAGE TEACHER'S SALARY	TEACHERS WITH MASTERS DEGREE	TEACHERS WITHOUT CERTIFICATE	TEACHERS WITH LESS THAN 3 YRS. EXPERIENCE	N
1 (low)	10.3%	$10,547	30%	0.0%	29%	28
2	2.5%	10,270	33%	0.0%	30%	30
3	3.2%	10,846	33%	0.0%	35%	35
4 (high)	0.6%	11,041	29%	0.09%	35%	33

* DEFINITION OF LEVELS:

1. 25% + scored below .23
2. 16-26% scored below .23
3. 8-15% scored below .23
4. 0-7% scored below .23

**Percent children from low-income families residing in school area

Average % scoring below .23 = 17%

II READING ACHIEVEMENT

ACHIEVEMENT LEVELS*	POVERTY LEVEL** (avg.)	AVERAGE TEACHER's SALARY	TEACHERS WITH MASTERS DEGREE	TEACHERS WITHOUT CERTIFICATE	TEACHERS WITH LESS THAN 3 YRS. EXPERIENCE	N
1 (low)	3.8%	$10,398	31%	0.0%	29%	33
2	1.6%	10,629	30%	0.0%	31%	32
3	0.6%	10,771	35%	0.02%	33%	33
4 (high)	0.0%	11,154	27%	0.0%	37%	26

*DEFINITION OF LEVELS:

1. 26% scored below .23
2. 16-25% scored below .23
3. 10-15% scored below .23
4. 0-9% scored below .23

**Percent children from low-income families residing in school area

Average % scoring below .23 = 19%

TABLE 13

MONTGOMERY COUNTY- JUNIOR HIGH SCHOOLS READING ACHIEVEMENT

ACHIEVEMENT LEVELS*	POVERTY LEVEL** (avg.)	AVERAGE TEACHER's SALARY	TEACHERS WITH MASTERS DEGREES	TEACHERS WITH LESS THAN 3 YRS. EXPERIENCE	TEACHERS WITH CERTIFICATE	N
1 (low)	6.7%	$8,273	22%	0.0%	25%	7
2	4.7%	10,544	43%	0.0%	31%	5
3	1.5%	11,078	37%	0.0%	31%	8
4 (high)	0.0%	9,235	33%	0.0%	25%	7

27 TOTAL

* DEFINITION OF LEVELS:

1. 26% + scored below .23
2. 12-25% scored below .23
3. 9-16% scored below .23
4. 0-8% scored below .23

**Percent children from low-income families residing in school area

Average % scoring below .23 + 17%

TABLE 14

MONTGOMERY COUNTY - HIGH SCHOOLS READING ACHIEVEMENT

ACHIEVEMENT LEVELS*	POVERTY LEVEL** (avg.)	AVERAGE TEACHER'S SALARY	TEACHERS WITH MASTERS DEGREE	TEACHERS WITH LESS THAN 3 YRS. EXPERIENCE	TEACHERS WITH CERTIFICATE	N
1 (low)	11.7%	$12,469	24%	0%	39%	4
2	2.9%	12,517	24%	0%	43%	4
3	0.0%	12,215	26%	0%	45%	4
4 (high)	0.0%	12,195	26%	0%	39%	5

17 TOTAL

* DEFINITION OF LEVELS:

1. 20 + scored below .23
2. 15-19% scored below .23
3. 10-14% scored below .23
4. 0-9% scored below .23

**Percent children from low-income families residing in school area

Average % scoring below .23 = 18%

TABLE 15

County	Wealth per Pupil (Rank in State)	Tax Effort (Rank in State)	Per Pupil Expenditure (Rank in State)	% of School Children from Low Income Families (Rank in State)*	% Schools with Achievement Below National Norms	
					Reading	Math
MONTGOMERY	$30,349 (1)	$2.28 (12)	$ 876.40 (1)	1.5% (23)	32%	26%
BALTIMORE	$26,024 (2)	$2.38 (9)	$ 726.13 (2)	3.0% (22)	14%	21%
PRINCE GEORGE'S	$20,290 (8)	$2.68 (2)	$ 724.88 (3)	9.0% (17)	43%	35%
BALTIMORE CITY	$17,697 (13)	$2.59 (4)	$ 717.26 (4)	26.6% (6)	94%	87%
CALVERT	$13,357 (21)	$2.26 (13)	$ 583.91 (19)	35.9% (1)	54%	55%

* Estimates only were available for Somerset County and is not included in this ranking.

districts are apparently trying to distribute their resources equally, at least in relation to teachers, among schools within districts, large disparities between districts in education resources, educational services and achievement levels still exist.

The Commission's research has indicated that the following chain of association exists:

Socioeconomic Status of Parents
Educational Tax Base per Pupil
Expenditure per Pupil
Level of Educational Services
Educational Achievement

Each item in the chain has been found to be associated with the subsequent item in the chain. Research in other states indicates that the same pattern is found in other areas as well as in Maryland. [17]

The Commission's study has shown that the State's program for financing public education, which is supposed to reduce inequities in educational services and compensate for local financial limitations, actually does neither. The present formula, which theoretically sets out to equalize opportunities does not eliminate, or even reduce, the association of wealth, levels of educational services, and achievement levels.

PART III

EQUAL EDUCATIONAL OPPORTUNITY -- A MANDATE FOR THE STATE

The Commission was forced by the results of its study to the conclusion that the State is not fulfilling its responsibilities to its citizens for equal educational opportunity. The State's current school financing plan not only denies equal treatment to its students, it also denies Maryland citizens and taxpayers the benefits and protection they have a right to expect. It encourages considerable differences in education expenditures, and thus differences in the opportunities for a quality education. It permits and encourages through its own funding formula the expenditure of money based on the wealth of the community. Because of this disbursement of educational funds based on such arbitrary factors as local tax bases and geography rather than on educationally defensible criteria, the levels of educational opportunity vary throughout the State. A child can move from one school district to another in Maryland and experience inequities in the educational opportunity offered him, although his educational requirements do not change with his place of residence in the state. The Governor's Commission to Study the State's Role in Financing Public Education also concluded that:[18]

-The State of Maryland is not presently meeting its obligation to all of its children, that the education aid formula under today's conditions results in an inequitable allocation of funds, and that children are being denied equal or even adequate, opportunity because of place of residence.

There are many complex definitions of equal educational opportunity, but the ultimate definition is the allocation of enough education resources to all students to permit each student to reach his own maximum level of educational attainment, limited only by his individual capabilities. Unfortunately, educational resources are limited, and this ultimate interpretation does not offer practical assistance in distributing limited resources.

A good definition of equal educational opportunity is one which could be supposed to reduce the high correlations among socioeconomic status, level of educational services and student achievement as well as be administratively feasible.

The first standard is the negative definition. Equality of educational opportunity exists when a child's educational opportunity does not depend upon either his parents' economic circumstances or his location within the state. In other words, the allocation of educational resources to every student shall not depend upon either of these "arbitrary" factors. Although this definition has the virtue of being precise, its usefulness is limited. It is more useful for demonstrating that equality does not exist; it is less useful for specifying the conditions of equality.

A second standard represents an ideal standard of equal educational opportunity. The full opportunity definition is the ultimate interpretation of equal educational opportunity. It asserts that educational resources shall be allocated to every student until he reaches the limits imposed by his own capabilities. The fatal shortcoming of this definition is obvious--educational resources are limited. Expending resources on every individual until he can no longer profit from them is impossible. Thus as a realistic standard for specifying the conditions of equality,

the full opportunity definition is meaningless.

The majority of states currently employ some variation of what has been called the foundation definition of equal educational opportunity. Typically, the state foundation program stipulates a "satisfactory minimum offering", expressed in dollars, which shall be guaranteed to every student. When a local school system cannot supply that minimum offering at the state-mandated tax rate, the state makes up the deficiency. The degree of "equality" resulting from these programs is suggested by the findings of our research.

While the foundation definition specifies a minimum in terms of educational resources, the minimum attainment definition specifies a minimum in terms of educational outcomes. The minimum attainment standard requires that educational resources be allocated to every student until he reaches a specified level of attainment. Obviously, this standard requires far greater expenditures for some students than for others. Thus, for example, when a student's reading achievement falls below the norm for his grade, additional resources would be provided.

The foundation and minimum attainment definitions are expressed in terms of minima; other definitions go beyond minima. The leveling definition of equal educational opportunity requires that resources be allocated in inverse proportion to students' ability. This standard is based on the assumption that students should, as nearly as possible, leave school with an equal chance of success. Since some students are more able than others and/or come from home backgrounds which facilitate their education, the schools should attempt to diminish these differences by concentrating on the less advantaged students. To be sure, there are limits to the extent to which schooling can result in equal attainment for all. Nevertheless, the allocation of resources in inverse proportion to students' ability would tend to result in equality of attainment.

While the leveling standard requires the allocation of educational resources in inverse proportion to students' ability, the competition definition requires their allocation in direct proportion. This standard assumes that students have different capacities to profit from instruction and that the more able a student is, the greater should be his access to educational resources. The equality demanded by this standard is equality in the competition for access to educational resources. The relevant basis for competition is ability and not wealth or geography.

The competition standard assumes that ability is a legitimate basis for a differential allocation of the amount of educational resources; the equal dollars per pupil definition assumes that ability is an illegitimate basis. The equal dollars per pupil definition requires that educational resources be allocated equally to all students. Which resources and how they are used, of course, vary with the "needs" of the individual.

An approximation to the equal dollars standard may be termed the maximum variance ratio definition. This standard requires that educational resources be allocated so that the maximum discrepancy in per-pupil expenditures does not exceed a specified ratio. Thus, it might require that the maximum variation in per-pupil expenditure be no more than one and one-half to one.

Finally, a standard--closely related to the negative standard described earlier--is the reasonable classification definition. This standard requires that what is regarded as a "suitable" level of support for a student of specified characteristics is suitable for that student wherever he lives within the state. The definition

requires a categorization of students on the basis of ability and interests. Thus, for example, if a six hundred dollar-a-year education is regarded suitable for college-bound students of average ability, then that amount should be established throughout the state. Or, if a twelve hundred dollar-a-year education is suitable for disadvantaged students in the primary grades, then that is what should be established statewide.

How do we evaluate the alternative definitions? How do we choose the definition to be implemented in the decade of the 1970's? It will not be possible to engage in a complete analysis of all definitions here. But let us return to the criteria which we stated at the outset. A good definition is one which is administratively feasible. More importantly, a good definition is one which could be supposed to reduce the high correlations among socioeconomic status, level of educational services, and student achievement. At present, Maryland spends more money on the education of a resident in a wealthy county; it spends less money on the education of its residents in poorer counties. Wealthier school districts, by and large, have higher levels of educational achievement; poorer school districts have lower levels of educational achievement. We propose that in the decade of the 1970's, Maryland spend at least as much money in the public schools of all its school districts as it has been spending in the public schools of its wealthier districts.

THE LEGAL CASE FOR EQUALITY OF EDUCATIONAL OPPORTUNITY*

As early as 1965 it became clear that a constitutional challenge to inequities in school finance could be made.[19] The constitutional question is whether the Equal Protection Clause of the Fourteenth Amendment to the Constitution of the United States compels a state to afford equal educational opportunity to all students attending the public schools within that state without regard to where they live or the wealth of their local community.

State courts have generally viewed education as a state, and not a local function--contrary to general belief. Therefore, at least according to state courts, the primary burden of public education resides in the state. Moreover, because education is a state function, school funds are state funds, whether raised locally or statewide. The state legislature has extensive discretion in the disbursement of these funds. Traditionally, states have permitted local school districts to collect and retain the bulk of school funds. This policy has led to the current popular misunderstanding that education funds derived from local sources are local funds.

Three general and settled principles now guide the courts in decisions concerning the financing of public schools in a state: The state has plenary power with respect to taxation for schools; School taxes, whether collected by the state or the localities, are state taxes; and the state retains discretionary power over the method of distribution of school funds.

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* A full discussion of the legal questions outlined in this section is found in Arthur E. Wise, Rich Schools, Poor Schools: The Promise of Equal Educational Opportunity (Chicago, University of Chicago Press, 1969).

The state itself may collect school taxes or it may authorize school districts to collect taxes in its behalf. In an early case involving the role of the state in financing public schools, an action was brought to enjoin the payment of funds under an act providing aid for "weak" school districts. The court held: "In a sense it is a misnomer to label this appropriation as an aid to weak school districts. Less appropriately it is true, but not without some reason, might we designate as an aid to the state the school funds raised by a school district's own tax levy for the promotion of public school work." This opinion is particularly significant in its clarification of the concept of state aid to local school districts. Since school districts are in fact an agency of the state, it may be a misnomer to designate funds applied by the state as aid to the district.

In effect, a state's school finance statutes embody a de facto classification of the students in the state on the basis of the school district where they happen to reside. This classification, explicitly on the basis of school districts and implicitly on the basis of local assessed valuation per pupil, largely determines the quality of educational opportunity the student is to receive.

The U. S. Constitution allows states to classify. Generally, however, the Supreme Court has ruled that to be reasonable a classification must be related to the purpose of the law. The question becomes: Is the classification of students according to the tax base where they live sufficiently related to the purpose of the law to be considered reasonable?

The logic of the case for equal educational opportunity is to be found in three lines of Supreme decisions. These cases enunicate general principles which, while not controlling in the present instance, at least indicate how the court might approach the problem of inequality in education.

The school desegregation cases, especially Brown v. Board of Education in 1954, have developed the framework to define public education as a constitutional right which fell within the scope of the Equal Protection Clause:[20]

-Today, education is perhaps the most important function of state and local governments. Compulsory school attendance laws and the great expenditures for education both demonstrate our recognition of the importance of education in our democratic society. It is required in the performance of our most basic public responsibilities, even service in the armed forces. It is the very foundation of good citizenship. Today it is the principal instrument in awakening the child to cultural values, in preparing him for later professional training, and in helping him to adjust normally to his environment. In these days, it is doubtful that any child may reasonably be expected to succeed in life if he is denied the opportunity of an education. Such an opportunity, where the state has undertaken to provide it, is a right which must be made available to all on equal terms.

In this case, the court was attempting to establish the proposition that discrimination in education by the state may not be based on color. In an attempt to avoid desegration, officials of one county in Virginia closed the public schools and supported private, segregated schools. At the same time, public schools in all the other counties of the state were being maintained. In Griffin v. County School Board, the court held: [21]

-Whatever nonracial grounds might support a state's allowing a county to abandon public schools, the object must be a constitutional one, and grounds of race and opposition to desegregation do not qualify as constitutional.

The state cannot permit differences among school districts when the basis for that difference is race.

The proposition that geography alone cannot form the basis for quantitative differences from one part of a state to another emerges from the reapportionment cases. In this instance, the court was establishing the principle that historical accidents associated with the boundary lines of local governmental units could not be used to dilute the value of some votes:[22]

-The concept of equal protection has been traditionally viewed as requiring the uniform treatment of persons standing in the same relation to the governmental action questioned or challenged. With respect to the allocation of legislative representation, all voters, as citizens of a state, stand in the same relation regardless of where they live. Any suggested criteria for the differentiation of citizens are insufficient to justify any discrimination as to the weight of their votes, unless relevent to the permissible purposes of legislative apportionment. Since the achievement of fair and effective representation for all citizens is concededly the basic aim of legislative apportionment, we conclude that the Equal Protection Clause guarantees the opportunity for equal participation by all voters in the election of state legislators.

By implication, there may be some criteria which justify differentiation among persons within a state, but, at least in the case of voting, geography is not one of these.

The third general proposition concerns the irrelevance of wealth to social justice and is based on cases in the area of the administration on one of a state's services--criminal justice. These cases confronted one kind of discrimination between the rich and the poor in the application of state laws. In the landmark case of Griffin v. Illinois,[23] the Supreme Court held that an indigent defendant cannot be denied the same opportunity to appeal an adverse judgment that is available to others simply because he cannot afford the price of a transcript of the trial proceedings:[24]

-It is true that a state is not required by the federal Constitution to provide appellate courts or a right to appellate review at all....But that is not to say that a state that does grant appellate review can do so in a way that discriminates against some convicted defendants on account of their poverty.

The Griffin rule has been extended to include a wide range of services which the state must make available to indigent defendants. It has become increasingly clear that governmental discrimination may not be based upon wealth, at least in the area of criminal justice.

The general propositions which have emerged from these three lines of cases create a climate within which one can question whether the absence of equal educational opportunity within a state constitutes a denial by the state of the equal protection of its laws. These cases develop the concept of reasonable classification which is particularly important in the question of equal educational opportunity. The concept of equal protection requires the uniform treatment of persons standing in the same relation to the governmental action in question. It does not require that persons different in fact be treated in law as though they were the same,

it does require that those who are similar be similarly treated. While the method for allocating educational funds must be changed, there must be a rational basis for allocating these funds. What is clear is that the amount of money spent on a child should not depend upon his parents' economic circumstances or his location within the state.

There have been several attempts to test the theory outlined above in the courts. The first of these was McInnis v. Shapiro originating in Illinois.[25] The case had not been well-prepared and the Federal District Court dismissed the complaint for failure to state a good cause of action. An appeal from this decision was made directly to the U.S. Supreme Court. The court summarily affirmed the lower court judgment without writing an opinion.[26] A similar case originating in Virginia received the same treatment.[27] The summary treatment of these cases by the Supreme Court leaves their implications unclear. It may well be that the decisions simply represent decisions by the court not to hear the cases. This would not be surprising since the issue had not received extensive examination in the lower courts. The Supreme Court is reluctant to break new constitutional ground without substantial prior activity in the lower courts. The court's desegration and reapportionment decisions were reached only after many years of litigition.

A more limited case has been brought before the courts testing the Florida Millage Rollback Act. This statute prohibits a local school district from taxing itself more than ten mills, preventing local school districts from raising their own revenues. This prohibition means that some school districts cannot raise sufficient funds for education. The Federal District Court ruled in favor of the plaintiffs. The state of Florida appealed to the Supreme Court, which ruled that the case be sent back to the lower court for further hearings. A decision in favor of the plaintiffs in this case will mean simply that Florida school districts will be in a position similar to that "enjoyed" by school districts throughout most of the rest of the nation: They will be free to tax themselves as much as they will or can.

Judge J. Skelly Wright's second landmark decision has considerable relevance if not legal force for the concept of equal educational opportunity.[28] In the earlier Hobson v. Hansen case the court had enjoined the District of Columbia school board from discriminating on the basis of racial or economic status in the operation of the public school system.[29] Based on the court's finding of a systematic discrimination in the distribution of the District's educational resources, it held:[30]

-However, the Supreme Court ultimately decides the question of the school board's duty to avoid pupil-assignment policies which lead to de facto segregation by race and class, it should be clear that if whites and Negroes, or rich and poor, are to be consigned to separate schools, pursuant to whatever policy, the minimum the Constitution will require and guarantee is that for their objectively measurable aspects these schools be run on the basis of real equality, at least unless any inequalities are adequately justified.

-The constitutional principle from which this modern separate-but-equal rule draws its sustenance is, of course, equal protection. Orthodox equal protection doctrine can be encapsulated in a single rule: Government action which without justification imposes unequal burdens or awards unequal benefits is unconstitutional. The com-

plaint that analytically no violation of equal protection vests unless the inequalities stem from a deliberately discriminatory plan is simply false. Whatever the law was once, it is a testament to our maturing concept of equality that, with the help of Supreme Court decisions in the last decade, we now firmly recognize that the arbitrary quality of thoughtlessness can be as disastrous and unfair to private rights and the public interest as the perversity of a willfull scheme.

-Theoretically, therefore, purely irrational inequalities even between two schools in a culturally homogeneous, uniformly white suburb would raise a real constitutional question.

In 1971, however, teacher expenditures per pupil varied from $669 in the wealthy section of Washington to $528 in the poor section, a difference of 26.7%. The plaintiffs returned to court, and the court decreed:

-On and after October 1, 1971, per-pupil expenditures for all teachers' salaries and benefits from the regular District of Columbia budget (excluding Title I ESEA funds; UPO funds, and, in general, all funds not from the regular congressional appropriation) in any single elementary school (not "administrative unit") shall not deviate by more than five per cent from the mean per-pupil expenditure for all teachers' salaries and benefits at all elementary schools in the District of Columbia school system as that mean is defined in this paragraph. The five per cent limit may be exceeded only for adequate justification on an individual school basis shown to this court in advance. "Adequate justification" shall include provision of compensatory education for educationally deprived pupils at certain schools or provision of special educational services for the mentally retarded or physically handicapped at certain schools or other "exceptional" students. It shall also include a showing that variance above or below the five per cent limit is accounted for solely on the basis of economies or diseconomies of scale. For purposes of this order, the "mean" shall be computed after excluding from the computation total expenditures of all teachers' salaries and benefits and total average daily membership at all schools for which permission to exceed the five per cent limitation because of compensatory education or education of "exceptional" students is sought and granted.

The decision refers only to the District of Columbia and the opinion only concerns intra-district variation in educational expenditures. However, the logic and the law of the opinion could apply as well to inter-district (statewide) discrimination in the allocation of educational resources where that discrimination is based upon wealth alone. It should be noted, too, that while the decree mandates approximately equal per-pupil expenditures, it specifically allows additional compensation for deprived and handicapped pupils.

The opinion's treatment of "teacher expenditure per pupil" is of some interest. The figure reflects both pupil-teacher ratio (smaller in the wealthy section) and average teacher cost (greater in the wealthy section). The latter finding results from the fact that the more experienced and more highly paid teachers are found in the wealthy section. The court's solution was: "The law requires either that experienced teachers be distributed uniformly among the schools in the system or that some offsetting benefit be given to those schools which are denied their fair complement of experienced teachers."

Perhaps the most significant recent court action is that of the State Supreme Court of California which has ruled that a system of financing education similar

to Maryland's creates an unconstitutional denial of equal protection. In the Serrano v. Priest case the court said:[31]

-We are called upon to determine whether the California public school financing system, with its substantial dependence on local property taxes and resultant wide disparities in school revenue, violates the equal protection clause of the Fourteenth Amendment. We have determined that this funding scheme invidiously discriminates against the poor because it makes the quality of a child's education a function of the wealth of his parents and neighbors. Recognizing as we must that the right to an education in our public schools is a fundamental interest which cannot be conditioned on wealth, we can discern no compelling state purpose necessitating the present method of financing. We have concluded, therefore, that such a system cannot withstand constitutional challenge and must fall before the equal protection clause.

And they further state:

-We, therefore, arrive at these conclusions. The California public school financing system, as presented to us by plaintiffs' complaint supplemented by matters judicially noticed, since it deals intimately with education, obviously touches upon a fundamental interest. For the reasons we have explained in detail, this system conditions the full entitlement to such interest on wealth, classifies its recipients on the basis of their collective affluence and makes the quality of a child's education depend upon the resources of his school district and ultimately upon the pocketbook of his parents. We find that such financing system as presently constituted is not necessary to the attainment of any compelling state interest. Since it does not withstand the requisite "strict scrutiny," it denies to the plaintiffs and others similary situated and equal protection of the laws.* If the allegations of complaint are sustained, the financial system must fall and the statutes comprising it must be found unconstitutional.

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* The U. S. Commission on Civil Rights has stated that "it may well be that the substantial fiscal and tangible inequalities which at present exist between city and suburban school districts...contravene the 14th Amendment's equal protection guarantee." Relying on the quotation from Brown v. Board of Education, supra, --" 'where a state provides education, it must be provided to all on equal terms'" -- the commission concluded that this passage "would appear to render at least those substantial disparities which are readily identifiable--such as disparities in fiscal support, average per-pupil expenditure, and average pupil-teacher ratios--unconstitutional." The commission also cited the reapportionment decisions and Griffin v. Illinois, supra, concluding, "Here, as in Griffin, the state may be under no obligation to provide the service, but having undertaken to provide it, the state must insure that the benefit is received by the poor as well as the rich in substantially equal measure." (U.S. Commission on Civil Rights, op. cit. supra, p. 261 fn. 282.)

During May, 1971 the Citizens Commission conducted public hearings throughout the State. The purpose of our hearings was to provide a forum for information on fiscal and governing school issues confronting local officials, educators and the general public. A list of witnesses who testified before the Commission is found in Appendix E.

In written testimony Dale Anderson, County Executive of Baltimore County, stated:

-It is said that one may delegate his authority but one cannot delegate his responsibility. The state can only fulfill its responsibility to provide equal educational opportunity by making its resources available for financing the rising cost of education. The per-pupil expenditures vary so greatly among subdivisions that it is obvious that the level of education cannot be the same in all.

Dr. John L. Carnochan, Jr., Superintendent of Schools in Frederick County, told the Commission:

-In the first place, I must state that I believe very strongly in a state system of education which is completely equalized. If, in fact, pupils of the public school system are to receive equitable treatment regardless of their place of birth, it is the state's responsibility to see that this happens

-Under a state system of education the wealthy jurisdictions must assist those who are less wealthy. Many poor subdivisions of the state now make a greater effort toward the educational costs than the wealthy systems. Such a system is not fair and equitable and should not be allowed to continue.

Finally, Dr. James A.Sensenbaugh, State Superintendent of Schools, said, "Continued local financing of the lion's share of current expenses will mean continued intolerable disparity in the education of children."

In addition, we examined a proposal (Hughes Formula) to replace the State's current formula. This formula was proposed by the Governor's Commission to Study the State's Role in Financing Public Education. Upon examination of the problem, they first stated in their report:[32]

-Can the state, through such delegation of responsibility, avoid an obligation to make all of its resources available to guarantee equal, or substantially equal, opportunity for every child? Should place of residence within political boundary lines, resulting in vastly disparate concentrations of financial resources, be allowed to determine the adequacy of a child's educational opportunity? Within Maryland, are educational needs of children not being met because of the uneven distribution of financial resources?

And further:[33]

-The Commission concludes that the State of Maryland is not presently meeting its obligation to all of its children, that the education aid formula under today's conditions, results in an inequitable allocation of funds, and that children are being denied equal or even adequate, opportunity because of place of residence.

The Hughes Commission recommended the following:[34]

-The present equalization formula, under which State aid is provided for the operating costs (Basic Current Expense) of public elementary and secondary schools would be replaced by a single formula which fully equalizes, without adjustment, the program of education to be supported by the State. The program to be supported in each subdivision should be the prior year's per-pupil expenditure level in that subdivision for such operating costs. The State over-all share of the cost of this program should be 55%. The State should continue to fully fund the cost of retirement and Social Security, and the approved costs of transportation and special education.

By basing the recommended formula's disbursement of funds to a subdivision on the "prior year's per-pupil expenditure level in that subdivision," the Hughes Commission's recommendation locked in present inequities in the financing of schools resulting from the State's present formula. The formula assumed the inequities on current expenditures would not need correcting and attempted to equalize on an inequitable base. It also started with the assumption that inequities represented the local effort or desire for financing their schools. A formula perpetuating fiscal inequities or the assumption that inequities are representative of local effort would weaken the State's purpose of providing equal opportunity to all of its children.

An example of this concept of perpetuating the inequities now in existence through the use of last year's per-pupil expenditure can be seen in Prince George's County. In written testimony to our Commission it was stated:[35]

-In a few short years, Prince George's County, by virtue of an imperfect formula and precipitous growth, faced a financial crisis primarily because of its educational demands....

This year alone, Prince George's County lost $1.6 million in State funds under the current formula's provisions for salary adjustments. If the Hughes formula were to be applied this year, this loss of $1.6 million would be reflected in the per-pupil expenditure in Prince George's County.

Table 1 further illustrates some of the results of implementation of the proposed formula.

Exhibit 1 compares graphically the effects of the Hughes formula with the per-pupil expenditures of the present formula and a hypothetical formula which merely adds $150 to each district's per-pupil expenditure under the current State formula. Under the hypothetical formula Montgomery County does not receive the additional $150 per pupil. Per-pupil expenditures are entered on the vertical axis of the graph. The twenty-four subdivisions on the horizontal axis, are placed in descending order according to the 1970/71 per-pupil expenditures under the present formula. The graph demonstrates that under the Hughes Commission proposed formula the State would be spending more money while increasing the disparities in spending.

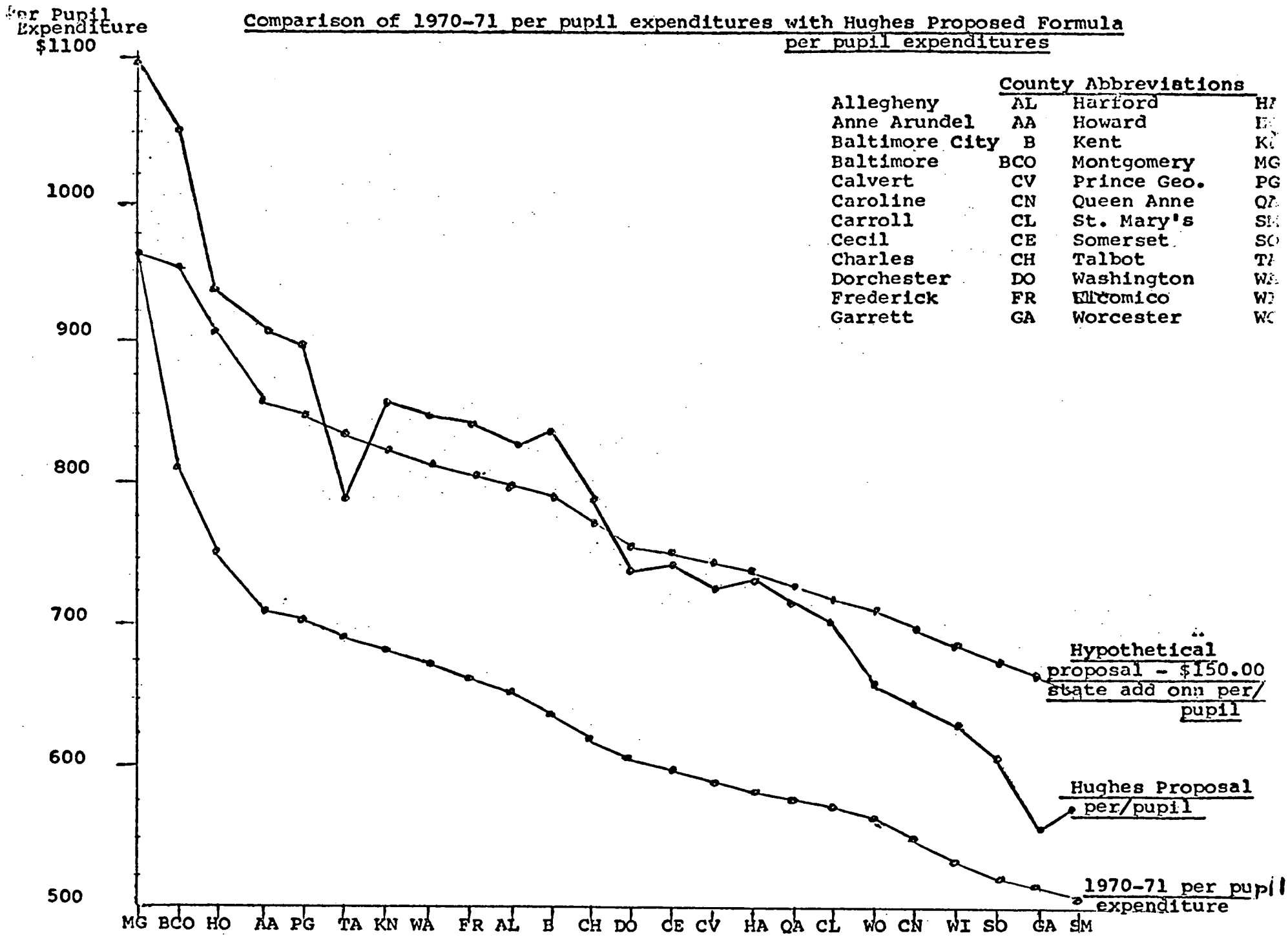
In 1969/70 Talbot County had 4,500 school children and a per-pupil wealth of $27,000. Under the proposed formula Talbot County would receive $91 more per pupil. Whereas in the same year St. Mary's County, with approximately double the school population of Talbot and less than one-half the wealth per pupil, would receive only $60 more per pupil under the proposed formula.

TABLE 1

1970/71 per pupil expenditure		Proposed Formula
Montgomery Co.	- $ 968.00	$ 1,098.00
Prince George's	700.00	916.00
Difference	$ 268.00	182.00
Decreases the difference in spending by $86.00		
Montgomery Co.	968.00	1,098.00
Baltimore City	646.00	838.00
Difference	322.00	260.00
Decreases differences in spending by $62.00		
Montgomery Co.	968.00	1,098.00
Dorchester	607.00	740.00
Difference	361.00	358.00
Stabilizes the inequity		
Montgomery Co.	968.00	1,098.00
St. Mary's Co.	509.00	569.00
Difference	459.00	529.00
Increases differences in spending by $70.00		
Montgomery Co.	968.00	1,098.00
Garrett Co.-	525.00	561.00
Difference	443.00	537.00
Increases difference in spending by $94.00		

EXHIBIT I

Comparison of 1970-71 per pupil expenditures with Hughes Proposed Formula per pupil expenditures



County Abbrevistions			
Allegheny	AL	Harford	HA
Anne Arundel	AA	Howard	HO
Baltimore City	B	Kent	KN
Baltimore	BCO	Montgomery	MG
Calvert	CV	Prince Geo.	PG
Caroline	CN	Queen Anne	QA
Carroll	CL	St. Mary's	SM
Cecil	CE	Somerset	SO
Charles	CH	Talbot	TA
Dorchester	DO	Washington	WA
Frederick	FR	Wicomico	WI
Garrett	GA	Worcester	WO

Another effect of this formula was seen when we examined the eight counties currently under the minimum guarantee. Although these eight counties represent only one-third of the State in numbers, they do represent 62% of the State's wealth in local tax bases and they would receive better than 50% of the proposed $164 million in increased State aid.

The question raised by the use of any formula should be: Does this formula provide for a resource allocation which will not make educational opportunity dependent on where a student lives, what his parental circumstances are, or how highly his neighbors value education?

We found the Hughes formula would not provide for these concepts and in fact would increase inequities in the short run rather than decrease them.

In projecting the long term effects of the formula up to 1980 we found the per-pupil expenditures to be inversely proportionate to local wealth. In effect, by 1980, the State would be spending more per pupil where there is a low wealth per pupil and spending less where a high wealth per pupil exists.

The Hughes Commission's recommended equalization formula was considered by the Education Subcommittee to the Joint Fiscal Committee of the 1971 Legislative Council, but it did not meet with the Subcommittee's approval. Instead a revised proposal was made by the Education Subcommittee to the Joint Committee of the Legislative Council.
This revised proposal was defeated by both the House and Senate members of the Council.

The failure or success of an equalization formula seems closely linked to the legislative process.

Both Hughes formulas were conceived to make State money available for counties choosing to achieve equal educational opportunity through an inversely proportionate distribution of funds. The formulas did not provide for the State's responsibility to assure equal educational opportunity in every school district.

In committee process, the revisions of the formula reflected this optional concept. The revisions set aside the high spending counties as unrepresentative of the State average per-pupil expenditures. The State average per-pupil expenditure was $721.00, whereas the formula provides an average of the county's average which allowed the State to fund in at $641.00. In addition, the total State share was to be less than previously proposed (55% of the State's overall expenditures) by lowering the State's percentage shared in expenditures over the $641.00. Table 1 illustrates this two-step revised formula.

Both the Hughes Commission's recommended formula and the revised proposal defeated by the Legislative Council failed to take into account tax effort or burdens. Neither proposal eliminated inequities in educational expenditures resulting from varying local tax bases. They would not provide the State with a tool to meet its fiscal responsibilities necessary to assure equal educational opportunity. Both still placed the burden for financing public education on local tax bases.

TWO STEP PROPOSED EQUALIZATION FORMULA - (REVISED HUGHES FORMULA)

Local Unit	Present State Aid	Total Receipt Original 55% Hughes Formula	Total Receipts under Revised Hughes Formula	Equalization Revised - two step Equalize $641.00	Equalization Revised - two step 40% share above $641.00	Increase in State Aid
Total State	$180,033,000	$344,304,000	$328,567,000	$311,478,000	$17,089,000	$148,521,000
Allegany	4,363,000	7,240,000	7,205,000	7,053,000	152,000	2,842,000
Anne Arun.	15,755,000	31,668,000	31,043,000	28,793,000	2,250,000	15,288,000
Balto. City	43,515,000	79,034,000	78,930,000	78,422,000	508,000	35,415,000
Baltimore	21,078,000	50,533,000	46,857,000	40,388,000	6,469,000	25,779,000
Calvert	1,586,000	2,366,000	2,366,000	2,366,000	-	780,000
Caroline	1,544,000	2,105,000	2,105,000	2,105,000	-	561,000
Carroll	3,457,000	5,800,000	5,800,000	5,800,000	-	2,343,000
Cecil	3,439,000	5,290,000	5,290,000	5,290,000	-	1,831,000
Charles	3,676,000	6,118,000	6,118,000	6,118,000	-	2,442,000
Dorchester	1,589,000	2,435,000	2,435,000	2,435,000	-	846,000
Frederick	3,557,000	7,357,000	7,273,000	7,039,000	234,000	3,482,000
Garrett	1,796,000	2,010,000	2,010,000	2,010,000	-	214,000
Harford	7,024,000	11,455,000	11,455,000	11,455,000	-	4,431,000
Howard	2,983,000	6,549,000	6,185,000	5,582,000	603,000	3,202,000
Kent	730,000	1,413,000	1,389,000	1,323,000	66,000	600,000
Montgomery	19,084,000	34,817,000	25,558,000	23,055,000	2,503,000	6,474,000
Prince Geo.	28,005,000	62,928,000	61,512,000	57,624,000	3,888,000	33,507,000
Queen Anne's	932,000	1,578,000	1,578,000	1,578,000	-	646,000
St. Mary's	3,708,000	4,407,000	4,407,000	4,407,000	-	699,000
Somerset	1,436,000	1,776,000	1,776,000	1,776,000	-	340,000
Talbot	774,000	1,211,000	1,159,000	1,123,000	36,000	385,000
Washington	5,526,000	9,761,000	9,663,000	9,283,000	380,000	4,137,000
Wicomico	3,434,000	4,827,000	4,827,000	4,827,000	-	1,393,000
Worcester	1,042,000	1,626,000	1,626,000	1,626,000	-	584,000

PART IV

FUTURE STUDENT ENROLLMENTS AND THEIR IMPLICATIONS FOR THE STATE

In order for the State to plan rationally for educational expenditures in the future and to develop an equitable plan for financing the schools, it must know the probable rate of population growth. The Citizens Commission developed sophisticated models for future enrollments in the public schools of Maryland through 1980. (A detailed explanation of models as well as the enrollment projections are found in Appendix B.) To arrive at population forecasts and student enrollments for each year through 1980, we used actual 1960 census figures, with an adjustment based on the percentage of error in the 1960 census' projections for 1970. Population figures for intermediate age groups and years were interpolated from population figures for 1960, 1970 and 1980 in major age groups.

The student enrollment forecasts for Maryland were obtained by grouping schools in each of the twenty-four districts according to whether they were public, Catholic or non-Catholic private schools. Each of these three categories was considered as graded from kindergarten through grade twelve; pre-kindergarten programs were not included. Using enrollments and numbers of graduates for the school years 1968/69 and 1969/70, the forecast estimated rates of admission into each system, rates of promotion, repetition and transfer within and between systems, and drop-out and graduation rates. These rates of the movement of students into and among the various school systems and grades were combined with the population forecasts in order to estimate future enrollments for each school district through 1980. Three different simulations of possible future situations which may affect school enrollment were performed for each school district and are discussed at length in Appendix B.

The Commission's student population projections are very significant, particularly in light of the growth in school enrollment in Maryland in the last twenty years. Maryland's school population in 1950 was 320,000 students. In 1965-66 Maryland had 735,000 students, and by 1969 its student enrollment had grown to 891,981, a 21.3% growth in five years; in 1970 the State's student enrollment was 911,206. However, our projections estimate that by 1975 public school enrollments will drop to approximately 880,600 students and that not until 1980 will enrollments again reach the current level of approximately 900,000 students. Furthermore, our projections indicate that metropolitan regions are slowing down in population growth and that some Eastern Shore counties and other rural areas are losing population while others are gaining. The Center for Metropolitan Studies has reported that Montgomery County is the first jurisdiction in the Washington Metropolitan area to reach "zero population growth". In demographic terms this means that women of child bearing age in Montgomery County are giving birth to only enough children to replace themselves and their mates.

This leveling off of school enrollment growth has tremendous implications for the State. If the State's financial resources continue to grow, more money will be available for relatively fewer students, and the State will be able to concentrate its efforts on equalizing educational opportunities throughout the State

and on improving the quality of the educational opportunity it offers its children. Declining and leveling student populations could counteract any necessary increases in expenditures to equalize per-pupil expenditures and improve educational quality.

In testimony before Senator Mondale's Committee on Equal Educational Opportunity, Dr. Henry Levin stated:[36]

-I think that dollars can make a difference, if one begins to think in terms of education. One of the problems is that additional dollars, as they move into the educational system, have never really been married up to education. A typical school that receives a Title I allotment simply gets the staff together and decides how many additional remedial teachers they will hire, how much they will reduce class size this year, how many overhead projectors they will buy. It is like going out and buying a shopping list. They have not thought about why the particular techniques, approaches, and resources that they have used have failed the same children in the past. They have not questioned whether just larger quantities of the same resources that have failed children in the past are going to succeed....In fact, I would raise a paradox here by suggesting that if a group of students failed to learn in a situation with a given curriculum, set of teachers, or training in a given class size, I would expect, at least logically, and I am talking a little tongue in cheek here, that the failure would be greater by reducing class size, because you are in effect concentrating the failure of fewer children....

It is apparent that the State's present method for funding education bears little relationship to educational needs, priorities or quality. Between 1950 and 1960, the pupil population in Maryland increased 83%, while educational expenditures doubled. Between 1960 and 1970, however, the student population increased 55% while educational expenditures tripled. The Governor's Committee to Study the State Tax Structure estimated that educational expenditures would reach $1.6 billion by 1975.

Because the present system of financing education in the State is based on local tax bases, it cannot distribute educational resources throughout the State as populations shift and educational needs change. Furthermore, the State faces unanticipated disbursements of money to local districts because of changes in local tax bases and assessment ratios. This year such an unexpected disbursement cost the State $3.6 million dollars which were not related in any way to educational objectives. The State can begin to "marry up" dollars to education, as Dr. Levin suggests, if it begins to relate educational expenditures to educational priorities and the needs of the future student population.

CHAPTER V

QUALITY IMPROVEMENT

THE NEED FOR EFFECTIVE LOCAL CONTROL

The strongest objection to full state funding is the belief that it would result in a diminution of local school control. All that can be predicted with certainty at the moment is the loss of one element of local school control--the power of school districts to determine their level of expenditures. The projected loss of any other powers is purely speculative.

The assumption that local financing is inextricably interwined with local control was called into question by James B. Conant in a speech before the Education Commission of the States in 1968:

-I would point out, however, that in the years in which I have tried to convince people of the importance and the correctness of our system here in the United States, I always assumed that local control of schools was a necessary consequence of local financing of the schools and vice versa. I think the New Brunswick example is a demonstration that this equation may well be wrong. It may well be that you can have local control of all the vital aspects of the public schools and still have the financing at the state level through state taxes and not through the local property tax.

The only actual test of centralized financing and decentralized control has been in the Canadian Province of New Brunswick. The Advisory Commission on Intergovernmental Relations, in its report on the New Brunswick experience concluded that the provincial takeover of school finance "...leaves room for local administration and local discretion rather than necessitating centralized decision-making on the Hawaii model."[37] (Hawaii was, of course, established as a centralized school system in its pre-statehood period.) New Brunswick is still in the process of establishing new relationships centering on the shift from local to provincial financing. Moreover, there are enough differences between the Canadian and American situations to prevent direct comparisons. For example, curriculum was and remains a provincial responsibility, although efforts are being made to decentralize. Nonetheless, the New Brunswick experience suggests that substantial control can remain at the local level with centralized financing.

The argument that centralized financing will lead to a loss of local control is a largely untested hypothesis. At its worst, the argument is a smokescreen for opponents of equality of educational opportunity. At its best, the argument is an expression of concern for our public schools as we know them and wish to preserve them. We will not know the effect of full State funding on local decision-making until we implement it. In the meantime, the State is granting more of its educational resources to some children and withholding resources from others.

The arguments reviewed in this section question the assumption that centralized financing will lead to centralized control, they do not question the need for local control. None of the proponents of centralized financing advocate centralized control. All stress the importance of local control over crucial curriculum and personnel decisions. It is clear that the states have had the wherewithal to usurp local prerogatives if they had been so inclined. Yet the concept of local control is so strong in American public education, it is its own sturdiest defense.

In "New Models for American Education" Guthrie and Levin state:[38]

-Greater central administration from the state with its almost inevitable imposition of greater operational uniformity would be exceedingly counterproductive for two reasons. First, the variety of educational needs that confront particular schools and school districts cannot be met by increased standardization among schools. Good education is individualized, meaning that decisions affect each child's instruction should be made as close to that child as possible. The state is clearly an inappropriate level upon which to make such decisions.

-A second reason for resisting increased state operation is the sheer technical difficulty in administering large numbers of schools....

The twenty-four school districts in Maryland are contiguous with the twenty-four principal political subdivisions in the State--Baltimore City and the twenty-three counties. Presently, legislative provisions allow the Baltimore City school district to be a separate school system, apart from the State administrative system encompassing the twenty-three county school districts; as a separate school system, the Baltimore City School Board receives its power from the city charter. In actual operation, however, the Baltimore City school system is closely linked to the State. In a recent study of school boards, the League of Women Voters reported, "There seems to be little difference between the City's relationship to the State and that of the counties."[39] Therefore, throughout this discussion as well as in the Commission's recommendations, Baltimore City is included in the State school governance and administrative structures unless otherwise stated.

Present State of Local Control in Maryland

-The local district and the individual school are the action units of education. It is here that the institutional systems exist. No amount of shifting of control can alter the fact that motivation and morale are generated primarily in the action, rather than in the control units.[40]

Motivation and local action have kept the issue of "local control" or "community control" before the eyes of legislators, educators and the general public for many years. There can hardly be a discussion on methods for financing our schools without the concern of loss of local control being raised.

Another social phenomena with the issue of local control was best cited by Dr. Henry Levin:[41]

-In addition to the visibility of schools, there is a widespread notion that in the long run education is a potent power in society, and that those who control schools, control something that is extremely meaningful.

We concur that our schools are very meaningful to society and that the economic and social benefits accruing to society from the effectiveness of our schools is of prime importance. It is therefore of prime importance to any suggestions for school finance to determine what controls are now existent in the current school system. At what levels are these controls exerted, the State, county or community? If the existing system is found wanting in providing the broadest base for local citizen participation it is then encumbent upon any suggested financial scheme to provide for alternative systems of local and State governance.

Maryland's twenty-four school board structures can be compared to council-manager forms of government. The boards (council) set policy and the superintendents (manager) administer. There is broad overlapping in areas of policy and administration by both the boards and the superintendents. For example, through his position as the professional educator, the superintendent actually initiates the policies discussed by the board, by presenting to them the educational programs and issues to be considered. On the other hand, the board itself often deals with the administrative matters either wittingly or unwittingly. An example of this might be in the area of negotiations.

Local control of education in Maryland resides primarily in the financing of the schools. For the purposes of this discussion, we define "local control" as being the decision-making power or representation a local community has in both policy and administration of its schools.

Local boards of education prepare the school budget and submit it to the mayor, county executive, county commissioners and councils. The mayor and county executive may increase or decrease the education budget. In all but two subdivisions, the county councils may increase as well as decrease the education budget. The two exceptions are Baltimore City and Baltimore County, whose councils have the power only to decrease the education budget.[42] All additions or deletions from the education budget by the local governments are made by large categories rather than by line items. The board of education must keep appropriations made by the county government within the categories but may adjust line items.

The financial control of the schools is in the hands of representative forms of government. The popularly elected representatives levy taxes and appropriate education funds based on the community's wealth and effort. If a local community is unhappy about the appropriations to their schools, it is not inconceivable that their voice will be heard and understood at the next election.[43]

Of the twenty-four school subdivisions in Maryland, twenty-one boards of education are appointed by the Governor, two (Montgomery and Charles) are elected, and one (Baltimore City) is appointed by the Mayor, with the consent of the City Council.

Maryland is the only state in the union which has the Governor appoint the local school boards. The majority of boards (approximately 30,000 in all) are elected. The remainder are appointed in different ways. They can be appointed by the local mayor, commissioners, judges, and etc. Board sizes and length of terms vary. If elected, they are generally elected by local district, or at large.[44]

Thus the structure primarily responsible for educational policy decisions locally is for the most part isolated from the local community. Furthermore, these local boards of education which control "educational matters affecting the counties"[45] are responsible to the State. Under current law "the county board of education shall to the best of its ability cause the provisions of this article, the bylaws, rules and regulations, and the policies of the State Board of Education[46] to be carried into effect...."[47]

Teachers are among the most important components of the educational process, and their salaries comprise the bulk of local educational budgets. The desirable number, quality and utilization of teachers are important policy decisions directly affecting the nature of the educational programs in school districts and individual schools. Flexibility and local autonomy in these personnel decisions are important aspects of "local control". However, the General Assembly, the State Board of Education and the teachers' association place extensive constraints on a school district's control over personnel matters.

The State Legislature has established by law conditions for the employment of teachers through certification, credentials, classes of teachers, salaries, numbers of professionals to be hired per numbers of pupils enrolled, length of employment for some professionals, and etc.[48] The State Board of Education,[49] appointed by the Governor for five-year overlapping terms, has enacted bylaws, which have the force of law,[50] containing rules and regulations which local boards of education must follow in personnel matters. The State board has established rules and regulations for hiring, use of contracts for teachers and professionals, timing for renewals, duties, procedures in cases of teacher absence, and etc.[51] A State board bylaw also sets standards for the number of professionals to be hired per numbers of pupils enrolled on the basis of elementary and secondary school ratios.[52] Finally, in the collective bargaining process, the teachers' organizations may negotiate for pupil-teacher ratios in addition to salaries and other items.

The closer educational decision and decision-makers are to the students affected by those decisions, the more likely they are to reflect the particular needs of those students. Yet in matters of curriculum and administration, the State Board of Education has established specific and lengthy requirements for instructional programs and other areas. Below are examples of the breadth of authority of these "minimum" program requirements"

Bylaw 311:1 The Program of the Elementary School:[53]

-The policies for the organization, administration, and conduct of public elementary schools shall include those set forth in Design for Planning the Program of the Elementary School (Maryland School Bulletin, Vol. XLI, No. 2, 1965) and subsequent revisions.
(This document sets forth both broad and specific policies for the organization, administration, and conduct of a successful elementary school program....)

Bylaw 312:2 cites further rules and regulations for high school principles and standards:[54]

-The document used for these specifics deals with "the establishment of schools, grade organization, length of school year, and school day. Standards

for school programs are set forth for junior and senior high schools, and on matters of testing, scheduling and grouping, promotion, etc...."

Furthermore, the State Legislature restricts the form of the local education budget. Section 117[55] of the Public School Laws sets down the framework of budget categories under which a county board of education must work. This legislation is further expanded by rules and regulations for these categories and limits the creativity and innovation so often desired at the local level.

The Commission has concluded that as a result of the State school governance structure and the actions of the State Legislature and the State Board of Education, district school boards and departments have little "local control" over many educational matters. Furthermore, regional and national associations add further constraints on local autonomy.[56]

Maryland's secondary schools and community colleges are accredited by the Middle States Association of Colleges and Secondary Schools, one of several regional accrediting associations throughout the country. These accrediting agencies set standards for curriculum, building facilities, teachers, etc. Their standards determine the accreditation of Maryland's schools and consequently affect the acceptability of their diplomas by other educational institutions. The regional associations also set standards for, and accredit the college programs training the teachers for the schools. In addition there is a National Association of State Directors of Teacher Certification and Education which develops standards and guidelines for state teacher certification. Similar standards and guidelines are also developed by the United States Office of Education.

We found that, although the highest percentage of funds are raised at the local level in Maryland, the policies for which these funds are requested are developed and expanded from the State authorities and passed down to the local level, rather than the local policy control having the greatest leverage in determining the use of the funds which are available to them.

What Maryland Had to Represent Community Participation

On one hand, the concept of local control in our schools is often thought to be "new" when one is discussing community participation by or responsibility of an inner city resident for his school; on the other hand, when the subject of funding our schools comes into focus, "local control" is thought to be so much a part of the traditional structure that it is not uncommon for someone to cite potential increased bureaucratic centralization in defense of keeping local funding. Is the concept of community control or local control new? Historically, throughout the country the schools were the domain of community desire through both local taxes and local authority. In the south the public schools were dominated through the local church affiliation and in the north the town hall meetings developed the community desire for its children's education. As communities have grown larger and more mobile, and as the technological era of present-day living has become prevalent, the community is less and less likely to maintain this essential input into their schools.

Maryland's structure for school governance from 1916 through 1967 reflected this traditional cooperation between community participation and State responsibility. The public or "free" schools of Maryland were under a three-tiered structure for authority:[57]

1. The State Board of Education was responsible for the "educational matters affecting the state and the general care and supervision of public education...."

2. The County Board of Education was responsible for "educational matters affecting a county...."

3. District boards of school trustees were responsible for "educational matters affecting a school district (and these matters) shall be under the care of a district board of school trustees."

Section #3, a "District Board of School Trustees," was repealed by the Legislature in 1967.

Sections 18, 76, 77, 78 referred to appointments, duties and powers of the district school trustees.[58]

District boards were composed of three members residing within the school district. They were appointed by the county board of education, appointed their own chairman and had the principal teacher of the school district as their secretary to the board. The principal spoke on all questions in an advisory capacity but had no vote. Their duties called for care of school facilities and property. They were charged with development of public sentiment for support of their public schools. They had the right to refuse a teacher provided them by the county school board and the county board was responsible for supplying the district board with a replacement. The district board could not require the county board to provide more than three teachers' names for one teaching place. It was optional for one or more members to visit with their school once a month to inquire into the needs or conditions of their school.

They could also act in an advisory capacity to the teachers in questions of discipline. If a district board was dissatisfied with a principal they could file charges with the county board of education for dismissal. Final authority was vested in the county board of education.

In recent years, these district boards of school trustees were almost nonexistent. Where they were used, such as in Montgomery County, little if any authority was given to them. They were appointed and served mostly in a superficial capacity to the principal of the school and/or the county school board.

There was one recent exception to this in Worcester County. In 1961 Worchester County used these school district boards of trustees. The district board was given certain authorities and responsibilities. The principal of the school had the same relationship to the district board as the county superintendent had to the county school board. Each district board prepared and submitted their own school budget to the county board of education.

Community responsibility in schools, local participation and local control seem to have been a part of the essential structure for school governance in Maryland

for many years. With the growth of school communities over the last five years such as Howard County's 55.9% and Prince George's County's 42%, such links between the local community, a county school board and the state school board are essential.

The Commission believes that the combination of Governor appointed school boards, extensive State involvement in the educational processes, and the repeal of the local school district board of trustees provide little opportunity for local determination or programs and procedures. We urge that greater input and authority for educational matters be restored to local communities, increasing the opportunity for the educational process to relate more closely to individual student and community needs.

PART VI

QUALITY IMPROVEMENT: THE NEED FOR PERFORMANCE OBJECTIVES AND EVALUATION

The State Board of Education, through its bylaws, rules, and regulations for the administration of the public school system, has established specific requirements and procedures for:

1. Hiring of teachers and other professional personnel, timing for renewals, procedures in case of teacher absences, etc.:

2. Broad and specific policies for the organization, administration and conduct of the elementary school program; and

3. School programs, testing, scheduling and grouping, promotion, etc., for junior and senior high schools.

Although the State has set down uniform detailed requirements and procedures for administration, curriculum, school organization, and dozens of other particulars, it has not established any performance objectives for the schools. No information is available at the State level on the achievement in reading or arithmetic in the schools. There is considerable State involvement and uniformity in the educational processes and procedures, but no State standards in educational objectives or results.

The State has traditionally collected only that school-by-school data which was necessary for certification and salary administration. Little information about allocation of education services on a school-by-school basis is available at the State level. Only two school districts contacted in this study were able to provide information about the resources available for the operation of the instructional program at the building level.

The school districts are more systematic about collection of achievement data on a school-by-school basis. However, in gathering data for this study it becomes apparent that there is very little coordination among the districts with regard to the type of test given, the times at which students are tested, or the way in which scores are reported. In several districts, the scores are not reported at all, except in the form of individual scores returned to individual students. Of the five school districts included in this study, only Baltimore City has a policy of publishing achievement test results on a building-by-building basis.

(Prince George's County indicates plans to release such data in the near future).

Apart from systematic collection and analysis of information about education resources and student achievement on a school-by-school basis, it appears impossible for the State or the school districts to rationally assess their progress, establish goals or determine program needs. If education is to receive more money, there will have to be a system that will collect and evaluate pertinent information to help both the State and local communities determine the level of progress toward educational goals and the effectiveness of the educational dollar.

When it comes to measuring school performance, individuals with the strongest opinions seem to divide into two camps. One camp consists of those who are in some fashion cost-conscious and economy-minded, and their position is that we must begin to measure what schools "do", find ways to do it better, and hopefully, do it more cheaply. Such individuals cite figures which demonstrate that school operation is becoming more expensive and has begun to consume resources at a rate which outstrips growth of the GNP. Despite such large financial outlays, more and more people appear unhappy with schools and there is increasing evidence that schools are failing to inculcate even minimal standards of performance in a large number of children. Moreover, all this is happening at a time when other social endeavors such as health, safety and transportation are also in dire need of funding. Clearly, this camp argues some sort of systematic effort to increase productivity must be made. The schools must become "accountable".

It is more difficult to characterize the inhabitants of the opposing camp. In large measure they are educators, but they are joined by humanists, artists, and others who prefer to emphasize the creative and emotional side of man. At the extreme, spokesmen for this group bristle at the suggestion that schools be subjected to systematic measurements. They contend that education is a process which defies quantifications. From its etymological roots, to educate meant to "draw out", to "develop the potential of a person", to "bring about human fulfillment". What universal yardstick could ever assess pupils' progress toward such a goal? After all, schools are not, or at least should not be, factory-like assembly lines in which each student is treated in a standardized way and thereafter regarded as an "output". In short, the aims of education are too personal to be adapted to some mechanistic assessment model.

There is something favorable to be said for the arguments on both sides. Indeed there is, or ought to be, much about an individual's schooling which is unique to him, and on those dimensions few if any comparisons or measurements are in order. On the other hand, in our society, where the well-being of all of us depends heavily upon educated and wise actions by each of us, some reasoned measurement of the effectiveness of the education system seems justified. The fact that schools depend heavily upon the public purse for their resources lends added weight to this position. How else can a conscientious public official begin to decide what proportion of limited funds should be allocated for housing, health, and schools?

Given that there is some validity to both the pro and con side of the school performance measurement question, the task ahead of us is to design an assessment system which provides sufficient information to guarantee that society's

minimal needs for schooling are being met and which assists in making wise decisions about the distribution of public resources. Simultaneously, the assessment system should preserve flexibility in the operation of schools and a substantial measure of freedom for individual students to shape their education.

Attempts to evaluate the successes and failures of the nation's educational systems have become more widespread and sophisticated in the last decade. A number of states have installed statewide testing programs which annually measure student achievement. California, Michigan, Florida and New York have been leaders in this venture. Similarly, an attempt is being made to monitor the academic performance of the nation with the National Assessment of Education Project (NAEP).

Because many factors that influence learning are thought to be beyond the control of schools, educators have traditionally been reluctant to evaluate their efforts on the basis of student performance levels. Many have argued that learning is beyond their control in too many ways and thus it would be unfair to judge school effectiveness by simply measuring the "product". Many educators have said that if a child is not motivated to learn or if his parents have not shown him how to behave in school they should not be judged to have failed in teaching him. Many say that if they are doing their jobs properly and the student still does not score well on the test, it is not their fault. Presumably the student is not sufficiently intelligent or motivated. There is an analogy here to the story about the physician who says "the operation was a success but regrettably the patient died."

However, in order for laymen to participate in the setting of broad educational policy they need to have accurate information regarding the products of the system, as well as the evaluation of the process. Professional educators must cooperate in the collection and interpretation of information regarding the system's performance.

In addition to the problem of controlling influences outside the school, complex problems have arisen concerning the appropriateness of the measures or "tests" the schools use. The tests are divided into two categories: norm referenced tests and criterion referenced tests. Norm referenced tests are primarily predictors of pupil future behavior while a criterion referenced test measures how much is known about a whole or part of a subject.

The State must begin to develop banks of criterion referenced test questions to enable the education system to say in a practical way how much children learn and how much they have gained over time.

Finding appropriate measurement devices are not the only problems associated with evaluating schools on the basis of output. Another has been the lack of agreement over appropriate objectives. In areas such as mathematics and science it is relatively easy to reach agreement over what students should learn. However areas such as history or social studies are substantially more subjective.

Educators may not agree over the best method to teach reading but most people agree that reading ought to be taught. Similarly, most people agree that all children should learn basic arithmetic, science and government. But beyond this

level, it may well be that agreement on educational objectives can only be reached by smaller and more homogeneous groups at school district and community levels. However, the Commission believes that consensus can be reached statewide on a minimal slate of performance objectives for schools. Once this is accomplished, criterion-referenced tests must be constructed to measure pupil progress.

Added Effectiveness

A statewide evaluation system could add measurably to the knowledge of the educational process and assist in obtaining greater effectiveness and efficiency.

The characteristics and components of schools and programs identified as successful can be compared to similar cases where the outcomes were not successful. By such analyses and comparisons the State and local districts can begin to narrow the field in terms of teacher characteristics and instructional processes that work and do not work. In time, this would permit the identification of successful techniques; dissemination of this knowledge should assist our entire education system in becoming more effective.

Rigid establishment of, and adherence to, requirements for teacher-pupil ratios and length of class hours are often mistaken for accountability. Meaningful accountability, however, can exist when there are objectives to be met and evaluation of the success in meeting those objectives. There are several key steps in any accountability process:

1. Collection of information and determination of needs;

2. Establishment of performance objectives;

3. Determination of alternative ways to meet the objectives; and

4. Evaluation of performance and progress toward achievement of the objectives.

With any system of financing the schools, adequate information-gathering and evaluation of performance are necessary if funds are to be used effectively and to have a positive impact on the quality of educational programs. It is not absolutely clear that we would be able to lower costs. Nevertheless, at the very least we will have a better idea of what our dollars "buy" in terms of added pupil learning.

PART VII

STATE SCHOOL CONSTRUCTION: THE NEED FOR COORDINATED STATE AND LOCAL OBJECTIVES AND PRIORITIES

During the 1971 legislative session the Maryland General Assembly passed significant legislation toward the State's assuming full responsibility for providing equal school services to all of its children.

The legislature provided for the full assumption of all school construction costs by the State of Maryland as of July, 1971, the assumption of all debt service requirements on June 30, 1967 and the authorization for the State to sell $150 million in general bonds to finance this project for the first year.

The rationale behind this move by the State followed the same reasoning used several years ago when the State assumed the cost of transportation and special education. The differences in distance and topography in each community, and special considerations for particular programs, made it impossible for the State to equitably set a formula for distribution of funds. Because of the differences of "need" in these services the State assumed virtually the total cost of transportation and special education. In recommending State assumption of school construction, the Commission to Study the State's Role in Financing Public Education stated:[59]

-The level of construction aid is not realistic. We are actually aiding a construction cost of about $1,200 per pupil housed and, statewide, the State is paying approximately 40% of that amount. The actual cost is probably about $2,500 per pupil, and the localities, therefore, are bearing 80% of that cost.

-The incidence of construction cost burden is especially uneven throughout the State. Rapidly growing counties have excessively high costs. Other counties may have accumulated a considerable backlog of needed renovation or replacement. Such unusual financial burdens make it difficult or impossible for some subdivisions to maintain their continuing operating programs, State assumption evens out such impact.

As in transportation and special education, the State recognized the differences in burden that construction places on a community and the different school building programs a community needs. The inefficiency or impracticality of the State's setting an equitable formula to allocate funds based on these differences caused them to assume all the costs of school construction in Maryland.

The Citizens Commission concurs with the concept behind this legislation and, in fact, believes that the steps Maryland has taken over the last several years in the full funding of these programs is leading the State in a necessary direction for achieving equal educational opportunity.

The legislation authorized the Board of Public Works (Governor, Comptroller of the Treasury, and State Treasurer) to establish rules, regulations and procedures for administration of the school construction program.[60] It authorized the State to

pay all costs for school construction approved by the Board of Public Works.[61] In addition, it further provided for an "Interagency Committee on School Construction to assemble, amend and keep up-to-date an annual and five-year program of elementary and secondary school capital improvements funded or to be funded by the State, including remodeling of school facilities ....the program shall contain the cost of each project".[62] The Interagency Committee was composed of the State Superintendent of Schools, the Secretary of State Planning and the Secretary of General Services.

The problems encountered by both the Interagency Committee and the local school districts during the first year of operation have been numerous. The Committee had to set priorities for allocations of the $150 million authorized for construction based on requests from the school districts of over $446 million, although in past years their total capital yearly budgets had not exceeded $150 million. Table 1 shows the district budget requests for the current year and the next five years.

The determination of capital needs for public school construction poses many intricate and complex problems.[63] Knowledge of future enrollments and the history of past capital costs alone are not sufficient to determine future capital costs. The present capacity of the school system as well as the capacity added by on-going construction are also needed to determine how much additional construction is required. To estimate or determine capacity, several local policy decisions immediately become apparent.

For example the capacity of all the schools of one type (e.g., elementary) in a district can be measured in several ways: the number of square feet per student; the number of pupil places; and the number of classrooms. Using either square feet per pupil or pupil places as measures, however, can be misleading if the policy of the county is not taken into consideration. For example, classroom may have physical space for 45 students, but since the student-teacher ratio is 30:1, the classroom will be estimated to hold 30 students. There are other local policy questions that complicate the determination of projected construction needs: When is a building obsolete? When should an addition to a building take precedence over a rental facility? What is the desirable local pupil-teacher ratio?

In addition to the normal complexities in estimating construction needs, the first year of the State construction program exhibited other problems--

Lack of, or failure to express, clear objectives and priorities for educational facilities by the local districts;

A lack of communications between the State and local communities in setting priorities for allocation of funds; and

A lack of understanding by the local community of the State's objectives and goals for its educational programs.

The lack of defined, sound local objectives for school construction coordinated with educational goals is not a new problem. Baltimore County's ten-year capital outlay from 1960 through 1970 was $132 million. They are requesting $131 million for the next five years.[64] In ten years Baltimore County built sixty-one new schools with sixty-three major additions, and in 1968, 5800 children were still

TABLE 1

PROPOSED PUBLIC SCHOOL CONSTRUCTION PROGRAM SUMMARY OF CAPITAL REQUESTS - FISCAL 1972 thru FISCAL 1977

County	Total	Prior Approval (vol)	Request for Current Fiscal 1972	Request for 1973	1974	1975	1976	1977
Alleghany	13,113,500		6,451,590	943,000	957,000	1,950,000	1,874,000	938,000
Anne Arundel	18,841,524		83,159,542	33,610,210	22,406,352	13,056,500	26,744,460	1,864,460
Baltimore City	189,425,198		47,933,800	35,814	35,045,584	38,023,000	36,824,000	31,563,000
Baltimore Co.	134,750,308		28,831,368	14,343,000	20,855,000	25,037,000	23,187,000	22,754,000
Calvert	11,850,300		4,086,300	1,631,000	1,398,000	1,016,000	1,222,000	2,497,000
Caroline	3,834,235		3,834,235	--	--	--	--	--
Carroll	44,166,840		13,424,260	4,933,976	8,588,920	4,516,740	10,285,110	2,417,824
Cecil	20,924,000		1,134,000	5,825,000	145,000	5,500,000	1,600,000	6,720,000
Charles	109,434,133		21,211,825	11,627,614	17,884,355	10,921,615	25,174,668	22,614,056
Worchester	26,497,669		17,789,669	5,708,000	3,000,000	--	--	--
Frederick	54,016,900		15,753,000	8,973,200	12,044,200	6,733,300	5,474,000	4,999,200
Garrett	10,419,976		3,160,818	3,160,818	273,072	224,150	1,509,300	1,381,284
Harford	64,224,100		32,957,200	9,212,000	1,650,400	7,567,000	3,585,500	9,252,000
Howard	68,588,000		18,580,000	6,795,400	9,705,200	12,946,100	9,678,700	10,902,000
Kent	1,778,152		993,152	--	330,000	275,000	180,000	--
Montgomery	110,191,000		21,556,106	25,486,000	13,903,000	13,443,000	21,297,00	14,734,000
Prince George	181,816,700		72,786,700	35,185,000	20,692,000	31,262,000	12,525,000	9,366,000
Queen Anne's	5,055,911		327,211	1,379,700	49,000	550,000	750,000	2,000,000
St. Mary's	29,848,270		9,402,470	1,779,600	12,040,500	4,469,300	1,914,400	242,000
Somerset	7,625,738		6,131,723	149,015	600,000	595,000	150,000	--
Talbot	4,679,000	338,036	290,964	400,000	750,000	1,900,000	1,000,000	--
Washington	53,694,900	1,607,500	14,620,620	14,298,280	8,408,500	6,055,000	7,567,400	1,137,600
Wicomico	22,750,735		12,270,585	4,351,930	2,078,125	442,095	3,608,000	--
Worcester	13,110,063		4,625,700	2,515,336	5,969,027	--	--	--
	1,365,122,408	1,945,536	446,293,438	193,054,437	198,773,235	186,522,800	196,150,538	145,382,424

being bused owing to over-crowding conditions.[65] Current indebtedness and inadequacy of building facilities indicate the inadequacy of local planning and priorities.

The following statement from a county's construction program is descriptive of the policy used to develop school construction programs throughout most of the State:[66]

-The school building program is a part of the overall program of county development. Changes in the school plant will reflect changes in the scope of education and in the curriculum. Trends of change will first be incorporated in construction policies and then find expression in modification in design, materials and methods of instruction.

It seems fiscally and educationally unsound to build a school and then mold the students and programs to the building. It is apparent that this pattern must be reversed.

Rising costs, inflation and past experience point clearly to a need for the State and local governments to use objective planning, cooperation and coordination in developing their construction program, or it is not unlikely the State may find itself in the same fiscal bind local communities have experienced with their past construction costs. From 1965 through 1968, the combined total revenue receipts from all sources for construction was $348 million.[67] It is estimated that in the next three years $600 million will be needed for construction, and an estimated $1.3 billion will be required in the next five years.[68]

State assumption of the financial responsibility for school construction both requires and encourages an approach to school construction which will--

Complement, be a part of, and help meet the general educational goals of the state and the local school districts;

Provide greater local flexibility and adaptability, and at the same time enable the state to maintain a coordinated, statewide plan for school construction; and

Take advantage of the opportunity for cooperation among districts in school facilities planning and construction, and thus of the economies which would result.

One such approach to school construction may be the 'systems approach' now being tried in California, Boston, Florida, Indiana, Toronto, Canada and other areas. The systems approach to school construction was the topic of the annual Statewide Seminar on School Facilities held by the Maryland State Department of Education in April, 1971.

A system (school) was defined by a representative from the Metropolitan Toronto School Board at the Seminar as a "working totality of diverse but integrated parts serving a common goal". The system, or school, is divided into various subsystems for technical planning, design and construction.

As implemented in Toronto in 1966, the first steps in the systems approach were to establish educational and technical goals and requirements. All systems were

then analyzed and designed with these educational goals and objectives in mind. The systems approach was defined by the Toronto representative as a "constant, integrated, reasoned pursuit" of these educational objectives with the following steps: definition, analysis, design, implementation, and evaluation.

How has the systems approach succeeded in Toronto? As of April, 1971, the Toronto school construction program was four weeks behind schedule--a schedule which was set and started in 1966. The average construction time for their first group of eleven buildings was ten and a half months and eight and a half months for the second group of ten buildings. Several schools were constructed in seven months, and all buildings were within their projected budget.

A critical part of the systems approach to school construction in Toronto is continuing evaluation by outside consultants, school personnel, teachers, neighbors, parents, and students. The Toronto school system found several advantages to the systems approach:

1. More economical and efficient use of money and buildings because of the ability to contract for subsystems for a number of buildings at one time, greater flexibility of units, much shorter construction time;

2. Replacement costs projected more easily and accurately because of subsystems (lights, furniture, carpets and etc.) designed to be replaced at regular intervals;

3. Obsolescence of buildings could be avoided because the planned substitution of subsystems enabled them to be replaced with more up-to-date subsystems and components to be compatible with changing needs and educational objectives; and

4. The use of flexible, modular techniques and interchangeable subsystems provided basic units which could be mixed, combined, and used to accommodate particular educational needs of each individual school.

In a statement before the School Facilities Seminar, a county school superintendant commented that the construction cost situation is always changing, and, it appears, always for the worst, with off-site, and on-site labor and materials costs always rising. He commented that the last opportunity for change lies in management and technology.

It would seem that the State has an excellent opportunity to meet some of the problems pointed out through technology and management. A State-financed school construction program coordinating with state and local education objectives might benefit by the systems approach, and statewide financial responsibility and coordination make the systems approach very possible. At the same time, the flexibility of this approach can accommodate local needs and objectives.

The lack of a coordinated statewide school construction program that encompasses local and State goals and objectives could not only create economic problems for the State, it could also negate the very goals and objectives the State and local communities may be working toward by omitting them in the consideration of priorities.

PART 2

RECOMMENDATIONS FOR FINANCING, GOVERNANCE, AND ACCOUNTABILITY OF MARYLAND'S PUBLIC SCHOOLS

The Citizens Commission on Maryland Government recommends that Maryland meet the educational challenges of the 1970's by

1. providing equal educational opportunity through a responsible plan for financing the schools and by

2. improving further the quality of education through improved local and State school governance and a responsible system of accountability.

FINANCIAL RECOMMENDATIONS

RECOMMENDATION 1

WE RECOMMEND THAT THE STATE ASSUME TOTAL FINANCIAL RESPONSIBILITY FOR ALL PUBLIC SCHOOLS IN MARYLAND. FURTHER, WE RECOMMEND THAT THE STATE IMPLEMENT TOTAL FINANCING RESPONSIBILITY THROUGH A FULL STATE FUNDING PROGRAM.

THE CONCEPT OF FULL STATE FUNDING: A SCHOOL FINANCE SYSTEM WHICH BRINGS TO BEAR ALL OF A STATE'S EDUCATIONAL TAX BASE ON THE EDUCATION OF ALL CHILDREN IN THE PUBLIC SCHOOLS OF THAT STATE. IT PROVIDES FOR EQUITY BOTH IN EDUCATIONAL TAXATION AND IN EDUCATIONAL RESOURCE ALLOCATION. IT REQUIRES THAT EDUCATIONAL RESOURCE ALLOCATION NOT DEPEND UPON WHERE A STUDENT LIVES, WHAT HIS PARENTAL CIRCUMSTANCES ARE, OR HOW HIGHLY HIS NEIGHBORS VALUE EDUCATION. IT AVOIDS THE SPECIOUS STATE/LOCAL DISTINCTION IN THE GENERATION OF EDUCATIONAL REVENUES, FOR ALL TAXES RAISED FOR EDUCATION ARE, IN FACT, STATE TAXES. THE DEFINITION CLEARLY ACCOMMODATES A VARIETY OF EDUCATIONAL RESOURCE ALLOCATION SCHEMES AND SYSTEMS FOR EDUCATIONAL TAXATION. ITS ONLY ESSENTIAL CHARACTERISTICS IS THAT THERE BE EQUITY IN THE BENEFITS AND BURDENS OF EDUCATION.

The resource allocation schemes that are available and that are compatible with equity in benefits and burdens of education fall into two broad approaches: A full equalization formula or full state funding.

They require some explanation:

Full equalization is the distribution of a state's resources in a manner that guarantees an equal level of per-pupil expenditures despite the amount of funds raised locally through a uniform tax rate (equal local effort). For example, an equalization formula supporting an equal state per-pupil expenditure of $1000 would give district X, where the uniform tax rate raises $1000 per pupil locally, zero dollars from the state; district Y, however, where the same tax rate yields only $100 per pupil, would receive $900 per pupil from state funds. An equalization

formula makes a distinction between local funds for education and state funds. The amount of state money a district receives is determined by its local wealth, i.e., its tax base yield.

In contrast, full state funding makes no distinction between state taxes and local taxes for education. This approach to financing schools recognizes that since education is the state's responsibility, all taxes for education are state taxes. Full state funding, therefore, does not distribute money on the basis of a local district's tax base yield. Funds raised through uniform taxes levied statewide are distributed equitably to districts by the state on a per-pupil expenditure basis. Every district receives all of its funds for education directly from the state.

Although full equalization and full state funding both would achieve uniform education tax rates and equal per-pupil expenditures, full state funding has several advantages. First, it eliminates emphasis on measures of wealth for the distribution of funds. Thus it facilitates a distribution of education resources on a per-pupil basis and on the basis of educational need.

Secondly, full state funding avoids the complexities and pitfalls of equalization formulas. Thus legislators, educators and the public can understand more clearly the bases on which funds are received for education. Also, Maryland's present equalization formula is evidence of the inequities which can result in the legislative process on an equalization formula.

Thirdly, because full state funding will distribute resources on the basis of educational programs needed in a district rather than on the tax base of a district, it facilitates and encourages evaluation of the educational productivity of those funds. As evaluation and assessment tools become more sophisticated, local districts and the state will be able to compare educational results to the funds expended to produce those results, and thus improve their decision-making capacities.

If we look at arguments against full state funding we find that they generally fall into three categories:

1. Full state funding will require tremendous increases in state spending for education;

2. The increased financial role of the state will mean an increased policy role for the state and concomitantly the decrease in local control; and

3. Mediocrity and uniformity in programs will result.

Let us look at the first argument that the State's spending for education will increase enormously. Maryland's current equalization formula contains no safeguards against spiraling education costs and makes it difficult to plan rationally for future budget needs. The Governor's Study Commission on the State Tax Structure (chaired by Dr. Edward Mills) projected that under the present formula education expenditures would reach $1.6 billion by 1975. Unless the State assumes a rational pattern for its education expenditures, it may be preordaining the Mills Commission's projected expenditures. This year alone the State funded to the

local communities an unanticipated $3.6 million under the current education formula. This was caused by an increase in the local assessable tax base and a drop in the assessment ratio (except in Baltimore City), as computed under the formula. It did not represent an expenditure related to any educational need.

If the State adopts a plan for an equitable allocation of funds, full state funding would cost no more than full equalization to support the same programs; using either approach the cost to the taxpayer will be the same. Whether the State uses the equalization approach or the full state funding approach, additional funds will be necessary to bring the per-pupil expenditures in the lower spending districts up to the per-pupil expenditure level of the highest spending district. The Commission's recommendations two through ten will demonstrate how full state funding can be phased-in over a reasonable period of time while distributing the tax burden more equitable among Maryland citizens and permitting the State to plan rationally for future education expenditures.

In the case of the second argument against full state funding, there is no evidence to support the suggestion that increased state funding will mean increased policy control by the state. Research being done by the Urban Institute under contract to the President's Commission on School Finance shows that in some states where there is a fairly small state contribution to school costs there is very strong state control over local decisions. In some other states where there is very heavy state financial involvement, the state control is less. On the issue of local control, the Advisory Commission on Intergovernmental Relations stated:[69]

-State assumption of school financing in the Commission's judgment is not inconsistent with effective local policy control. Ample room for local initiative and innovation would remain. Liberated from the necessity of "selling" bond issues and tax rate increases, school board members and superintendents could concentrate on their main concern--improving the quality of their children's education. The long tradition of local control of education and the keen concern of parents for the educational well-being of their children would serve as sturdy defenses against any effort to short change educational financial needs.

Maryland's legislators traditionally have viewed education somewhat differently from other State functions and have left most educational decisions to the State and local departments of education and their boards. State legislators, after all, represent local communities, and would be inclined to continue to recognize the demands of parents and their constituents to maintain at least the present level of local control over educational matters.

Congressman Dow, speaking in support of his proposed legislation to ease the local property tax burden for local educational costs, said:[70]

-The principal objection I have heard to the plan contained in my school tax bill is the presumption that local school boards, if no longer responsible for raising school taxes, would lose local control of their educational systems, and that there would be a state takeover. To this criticism, I reply that in my own state of New York the state now provides 45% of the school support. With that much leverage the state could exert immense influence on local school decisions, even today; but it does not. Why? It does not for one reason, because the State Legislature made

up of local representatives would not allow it and, second, that is not the nature of our educational system. Nobody wants it that way.

Furthermore, our study indicates that the State Board and Department of Education already possess extensive powers which they can exercise over local districts if they so desire. In a paper presented at the National Tax Association Seminar in Washington, D.C., in July, 1971, Dr. Paul A. Cooper cited his personal experience as a county superintendent of schools in Maryland:[71]

-For nearly fourteen years I served as Superintendent of Schools for a county adjacent to the state of Delaware, and enjoyed a close working relationship with a number of my counterparts in that state. Delaware, at that time, provided up to 90% of the total cost of operating the local school systems, whereas Maryland provided from 30 to 40%. I can testify that the local school system of Delaware enjoyed at least as much, if not greater, autonomy than did those of Maryland. The reason for this, I suspect, would be found in the statutory powers given to the state and local authorities in each case,and the roles assumed by the state authorities. I suspect that these factors have more to do with the presence of local control than the level of state funding.

(State Takeover of Education Financing,)pp. 25-26

The Citizens Commission suggests in its later recommendations that the provision of quality education would be enhanced by a restoration of greater local policy control than currently exists.

Finally, there is little reason to believe that mediocrity and uniformity in education programs would result from state funding which provides equal educational opportunity. In fact greater innovation, experimentation and creativity in programs would be possible since districts would have more funds than they presently have. With per-pupil expenditures in every district equal to the level of the highest spending district, other school districts will have the resources to begin emulating the quality and diversity of programs in the traditionally high spending districts. The State as a whole can only benefit from the increased potential for the development of outstanding and innovative programs. Every school system will have an equal opportunity to become a "lighthouse" district and to point the way for other schools through innovation and experimentation.

After reviewing what has happened to equalization formulas in the past in Maryland, and after considering the benefits of full state funding, the Citizens Commission has concluded that full state funding is the most equitable, efficient and productive way for the State to fulfill its financial responsibilities for education.

RECOMMENDATION NO. 2

WE RECOMMEND THAT OVER A PHASE-IN PERIOD OF THREE YEARS THE STATE ELIMINATE ALL DISPARITIES IN PER-PUPIL EXPENDITURES AMONG DISTRICTS BY PROVIDING FOR AN EQUAL PER-PUPIL EXPENDITURE IN EACH OF THE SCHOOL DISTRICTS AT THE LEVEL OF THE HIGHEST SPENDING SCHOOL DISTRICT IN 1970/71.

The change from Maryland's present method of school financing to full state funding cannot occur in a responsible manner in a single year. School districts could not accommodate judiciously sudden substantial increases in school revenues. If the increases (which in some districts might amount to an increment of several hundred dollars per pupil) are spread out over three years the districts will be able to plan for the use of the funds in an educationally and fiscally responsible manner.

The high spending school district has in a real sense defined for Maryland a conception of high quality education, at least insofar as inputs are concerned. Moreover, to equalize expenditures per pupil at any but the level of the highest would mean interfering with the program currently operating in the high spending counties.

In order not to interfere with the programs currently operating in the high spending districts, the State will have to equalize the per pupil expenditure of every district at the level of the highest spending district. During the three-year-phase-in period, the per-pupil expenditure in the highest spending district will not be permitted to exceed the 1970/71, with some adjustments for inflation and cost of living factors. By the end of the three years, all districts will be at that level.

The effects on the lower-spending districts would obviously be dramatic. The availability of substantial new revenues will lead to increases in educational quality only with careful planning and analysis. Those responsible for planning in the poorer districts will, for the first time, have the means and the time to emulate the desirable characteristics of the landmark schools and school districts. The onus on the planners will be heavy. Indeed, in the poorer school districts, the leeway for enhanced local determination of goals and means will be substantially enhanced. The lack of available revenues will no longer be an excuse for failure to act on educational problems. As well, the importance of improved decision-making by wealthier school districts will be heightened. Wealthier school districts will be in a position of having to evaluate their alternatives more carefully. There will be no diminution of local responsibility for educational decision-making.

This phase-in period also will enable the State to make necessary adjustments in the tax structure, and to spread the necessary revenue increases over a reasonable period of time. A planned-phase-in offers the State the advantage of knowing with some degree of accuracy what additional revenues will be needed for education each year over the three-year period. (Alternative ways for the State to raise additional revenues are discussed in a separate recommendation).

This approach places a limit on spiraling education costs, and insures the State against yearly budget crises in the area of education. The following three charts project the per-pupil expenditures for each district and the cost to the State for the three-year phase-in program. Using the Commission's enrollment projections for each of the three years, the charts demonstrate how the per-pupil expenditures for each district will gradually be raised each year until all districts will be at the per-pupil expenditure level by the third year. The per-pupil expenditures shown in the charts do not include increases for inflation or cost-of-living factors.

At the end of the three years, the Legislature and educators will be able to begin setting levels of expenditures for education in competition with the needs of other State services. We recommend that the State begin to engage in evaluation and information-gathering during this phase-in period, so that future levels of expenditures for education will be determined by a knowledge of student needs and vis-a-vis program costs and effectiveness.

RECOMMENDATION 3

WE RECOMMEND THAT AT LEAST 20% OF THE BUDGET OF THE LOCAL SCHOOL DISTRICT MUST BE SPENT FOR PURPOSES OTHER THAN PROFESSIONAL SALARIES AND FRINGE BENEFITS. (PROFESSIONAL SALARIES SHALL BE DEFINED AS SALARIES FOR ADMINISTRATORS, CERTIFICATED PROFESSIONAL PERSONNEL, AND SECRETARIAL AND CLERICAL PERSONNEL.

With the inception of full state funding many districts will be experiencing greater increases in per-pupil allocations. The easiest step for these districts would be merely to increase the number of teachers and to raise salaries. Recent history has shown that as new funds become available, teachers' salaries and lower teacher-pupil ratios decrease. While increased salaries and lower teacher-pupil ratios may be desirable, by themselves they do not lead automatically to improvements in educational quality.

Various mechanisms for controlling excessive expansion of personnel costs were considered, including

1. a statewide teacher salary schedule;

2. a statewide maximum teacher-pupil ratio

3. allocation of teacher salaries on a per-pupil basis separately from other per-pupil expenditures, and

4. a statewide maximum percentage of a district's budget which may be used for professional salaries.

The Commission found that the fourth alternative offered the greatest scope for local decision-making and the greatest latitude for local experimentation and innovation. A school district could plan its salary schedule, teacher-pupil mixes, and non-salary matters on its own.

SIMULATION OF THE FULLY FUNDED THREE YEAR PHASE-IN PROGRAM

FIRST YEAR

ENROLLMENTS - EXTRAPOLATION OF 1969-70 RATES

(COLUMN 2 IS IN DOLLARS. COLUMNS 3,4,5 ARE IN THOUSANDS OF DOLLARS.)

********** YEAR 1972 **********

LOCAL UNIT	1 PROJECTED ENROLLMENT	2 PER-PUPIL EXP.	3 TOTAL (EX.LUNCH TRANSP.)	4 LUNCH AND TRANSP.	5 TOTAL
ALLEGANY CO.	17524	761.	13342.	911.	14253.
ANNE ARUNDEL CO	73603	793.	58343.	2650.	60993.
BALTIMORE CITY	188569	753.	142055.	7394.	149405.
BALTIMORE CO.	137765	857.	118111.	3720.	121831.
CALVERT CO.	6238	721.	4500.	780.	5280.
CAROLINE CO.	5177	699.	3572.	437.	4009.
CARROLL CO.	16190	712.	11456.	998.	12454.
CECIL CO	13062	723.	9448.	692.	10140.
CHARLES CO	13425	741.	10101.	1362.	11463.
DORCHESTER CO.	6239	727.	4668.	532.	5140.
FREDERICK CO.	19328	769.	14870.	885.	15755.
GARRETT CO.	5155	673.	3459.	679.	4170.
HARFORD CO	30236	717.	21669.	1451.	23120.
HOWARD CO	19063	824.	15708.	1277.	16985.
KENT CO	4027	779.	3138.	306.	3444.
MONTGOMERY CO	118402	988.	114613.	3670.	118283.
PRINCE GEORGE'S CO.	160580	789.	126751.	4978.	131729.
QUEEN ANNE'S CO	4515	719.	3230.	415.	3645.
ST.MARY'S CO	12412	662.	8217.	1129.	9346.
SOMERSET CO	4385	677.	2967.	390.	3357.
TALBOT CO	4982	782.	3903.	299.	4202.
WASHINGTON CO	22713	772.	17534.	1022.	18556.
WICOMICO CO	13906	682.	9434.	856.	10290.
WORCESTER CO	6095	705.	4295.	481.	4776.
TOTAL STATE	903681	803.	725356.	37276.	762632.

SIMULATION OF THE FULLY FUNDED THREE YEAR PHASE-IN PROGRAM

SECOND YEAR

ENROLMENTS - EXTRAPOLATION OF 1969-70 RATES

(COLUMN 2 IS IN DOLLARS. COLUMNS 3,4,5 ARE IN THOUSANDS OF DOLLARS.)

********** YEAR 1972 **********

LOCAL UNIT	1 PROJECTED ENROLMENT	2 PER-PUPIL EXP.	3 TOTAL (EX.LUNCH TRANSP.)	4 LUNCH AND TRANSP.	5 TOTAL
ALLEGANY CO.	17507	865.	15138.	910.	16048.
ANNE ARUNDEL CO	72835	880.	64119.	2622.	66741.
BALTIMORE CITY	186872	861.	160835.	7288.	168123.
BALTIMORE CO.	139065	913.	126920.	3755.	130675.
CALVERT CO.	6298	845.	5320.	787.	6107.
CAROLINE CO.	5013	832.	4169.	426.	4595.
CARROLL CO.	15800	840.	13272.	980.	14252.
CECIL CO	13051	846.	11037.	692.	11729.
CHARLES CO	13721	855.	11727.	1372.	13099.
DORCHESTER CO.	6225	848.	5277.	523.	5800.
FREDERICK CO.	19241	869.	16714.	885.	17599.
GARRETT CO.	5011	820.	4111.	651.	4762.
HARFORD CO	29929	842.	25210.	1437.	26647.
HOWARD CO	19713	896.	17663.	1321.	18984.
KENT CO	3973	874.	3471.	302.	3773.
MONTGOMERY CO	115009	968.	111329.	3565.	114894.
PRINCE GEORGE'S CO.	159094	879.	139791.	4932.	144723.
QUEEN ANNE'S CO	4305	842.	3627.	396.	4023.
ST.MARY'S CO	12758	815.	10398.	1161.	11559.
SOMERSET CO	4276	822.	3516.	381.	3897.
TALBOT CO	4973	876.	4355.	298.	4653.
WASHINGTON CO	22106	870.	19232.	995.	20227.
WICOMICO CO	13473	826.	11066.	831.	11897.
WORCESTER CO	5786	837.	4841.	457.	5298.
TOTAL STATE	995968	885.	793136.	36967.	830103.

SIMULATION OF THE FULLY FUNDED THREE YEAR PHASE-IN PROGRAM

THIRD YEAR

ENROLMENTS - EXTRAPOLATION OF 1969-70 RATES

(COLUMN 2 IS IN DOLLARS. COLUMNS 3,4,5 ARE IN THOUSANDS OF DOLLARS.)

********** YEAR 1974 **********

LOCAL UNIT	1 PROJECTED ENROLMENT	2 PER-PUPIL EXP.	3 TOTAL (EX.LUNCH TRANSP.)	4 LUNCH AND TRANSP.	5 TOTAL
ALLEGANY CO.	17435	$68.	16677.	907.	17784.
ANNE ARUNDEL CO	72091	$68.	69784.	2595.	72379.
BALTIMORE CITY	184992	$68.	179072.	7215.	186287.
BALTIMORE CO.	140541	$68.	136044.	3795.	139839.
CALVERT CO.	6308	$68.	6106.	788.	6894.
CAROLINE CO	4985	$68.	4729.	415.	5144.
CARROLL CO.	15512	$68.	15016.	962.	15978.
CECIL CO	12310	$68.	12400.	679.	13079.
CHARLES CO	13674	$68.	13236.	1367.	14603.
DORCHESTER CO.	6157	$68.	5960.	517.	6477.
FREDERICK CO.	19069	$68.	18459.	877.	19336.
GARRETT CO.	4812	$68.	4658.	626.	5284.
HARFORD CO	29616	$68.	28668.	1422.	30090.
HOWARD CO	20224	$68.	19577.	1355.	20932.
KENT CO	3927	$68.	3801.	298.	4099.
MONTGOMERY CO	111753	$68.	108177.	3464.	111641.
PRINCE GEORGE*S CO.	156885	$68.	151865.	4863.	156728.
QUEEN ANNE*S CO	4127	$68.	3995.	380.	4375.
ST.MARY*S CO	12979	$68.	12564.	1181.	13745.
SOMERSET CO	4193	$68.	4059.	373.	4432.
TALBOT CO	4963	$68.	4804.	298.	5102.
WASHINGTON CO	21516	$68.	20822.	968.	21790.
WICOMICO CO	13016	$68.	12599.	807.	13406.
WORCESTER CO	5518	$68.	5334.	435.	5769.
TOTAL STATE	866989	$68.	838605.	36588.	895192.

The Commission came to the conclusion that a statewide salary schedule would prevent a school district from pursuing alternative salary schedule policies and strategies. Salary schedules can be one important manifestation of local policy by emphasizing, for example, the recruitment of young teachers versus the retention of more experienced teachers. A maximum teacher-pupil ratio may become a rigid instrument which would discourage innovation. Allocating salaries separately from other items would mean that this decision about distribution could not be made at the local level.

The real task for local education planners is to evaluate the efficacy of alternative educational arrangements. In fact, the increases in per-pupil expenditures will enhance the leeway for local determination of goals and means. It is important, then, to insure that the increased options for local districts are not eliminated by the use of new revenues solely for teachers salaries.

RECOMMENDATION 4

WE RECOMMEND THAT, IN ORDER TO ENCOURAGE EDUCATIONAL EXPERIMENTATION AND INNOVATION, ADDITIONAL FUNDS OF AT LEAST 0.1% OF EACH YEAR'S OPERATING BUDGET FOR EDUCATION BE SET ASIDE FOR WHICH COUNTY BOARDS OF EDUCATION, COMMUNITY BOARDS, AND/OR THEIR COUNTERPARTS MAY APPLY.

One of the purposes of education is to prepare students for the future. Education, therefore, both in content and technique, must constantly anticipate the future. We urge the State to encourage research, innovation, and creative initiative by local districts and schools through a "Fund for Excellence." This Fund would provide the financial resources needed to carry out projects developed locally.

The amount we have recommended to begin this Fund is smaller than the optimum because the State will initially be expending significant amounts of money to equalize per-pupil expenditures throughout the State. We hope that districts would utilize this per-pupil increase creatively and productively. However, the State should make every effort, as soon as possible, to increase the basic yearly disbursement to this Fund to at least 1% of the operating budget for education. Private industry spends on the average of 3% of each year's income on research and development; the State should be spending as generously to develop the State's human resources. We also urge that provision be made to encourage and receive contributions both from industry and private individuals to further increase the Fund.

The Commission would further recommend that a panel representative of local schools, school communities, State Department of Education officials and university personnel, among other groups, review and select proposals and requests submitted to it by schools and school districts. The panel mechanism would help to insure that unique and imaginative projects which respond to pressing needs, both locally and statewide, would be funded. Projects should be of relatively short duration. If a project is successful, it should be incorporated and adopted

elsewhere. The fund should serve as a continuing spur to educational quality in Maryland. The State Superintendent of Schools should exercise his authority to encourage communities, where he sees a need, to apply to the Fund. The State Department of Education should make available to smaller districts and individual schools the necessary information, personnel, and technical expertise which they may require to develop a plan.

We hope that the Fund for Excellence will serve as a continuing incentive to educational quality in Maryland, and that it would develop successful pilot projects that become components of regular programs throughout the State.

RECOMMENDATIONS PROVIDING FOR FISCAL MEASURES OF PER-PUPIL EXPENDITURES

RECOMMENDATION 5

WE RECOMMEND THAT THE PER-PUPIL EXPENDITURE BE DEFINED AS ALL CURRENT OPERATING COSTS, EXCLUDING ALL COSTS FOR TRANSPORTATION, FOOD SERVICES, AID FOR HANDICAPPED CHILDREN, CAPITAL OUTLAY, AND DEBT SERVICE, TEACHERS' RETIREMENT AND SOCIAL SECURITY

Equity in the distribution of education resources is as necessary in transportation for students, food services, aid for handicapped children, and capital outlay and debt service as it is for teacher salaries, books, and other current instructional costs. However, the nature of these services may require different measures and methods of distribution to assure equity. Furthermore their inclusion as part of the per-pupil expenditure for the general instructional program might inhibit the achievement of equality in instructional and program benefits.

RECOMMENDATION 6

WE RECOMMEND THAT, IN ORDER TO ALLOW FOR DIFFERENCES IN ECONOMIES OF SCALE, THE PER-PUPIL EXPENDITURE IN ANY SCHOOL MAY VARY 5% IN EITHER DIRECTION FROM THE EQUALIZED LEVEL OF PER-PUPIL EXPENDITURE.

It is undoubtedly the case in education, as elsewhere, that the principle of economies of scale operates. In other words, it is probably the case that a reduction in cost per student occurs as school size increases, up to a limit at least.[72] Studies of the economies of scale in schools has not resulted in definitive knowledge about how extensively the principle operates. As a starting point, we recommend that in any school per-pupil expenditures may vary 5% in either direction from the equalized level. It is assumed that per-pupil expenditures will be higher in smaller schools and lower in larger schools. As more definitive knowledge becomes available, the 5% rule should be modified accordingly.

RECOMMENDATION 7

WE RECOMMEND, TO ALLOW FOR THE DIFFERENCES IN EDUCATIONAL NEED, STATE FUNDS FOR ANY STATE COMPENSATORY PROGRAM FOR EDUCATIONALLY DEPRIVED CHILDREN AND SPECIAL EDUCATIONAL SERVICES BE ALLOCATED IN ADDITION TO THE STATEWIDE EQUAL PER-PUPIL EXPENDITURE.

There are throughout the State children with particular needs which must be met in order for them to fully participate in and benefit from the educational opportunities of the State. A Prince George's child who suffers the embarrassment of failing to respond to a teacher's question, because of an undetected hearing disability, receives little solace in knowing a child living in poorer St. Mary's county has suffered the same embarrassment. A Baltimore County school child on a three-year waiting list to receive remedial reading can take little comfort in living in the second wealthiest county in the State. A Baltimore City child who cannot read an assignment and is denied a needed pair of eyeglasses because his parents' income fell just above the poverty level, can likewise take little joy in the fact that Baltimore City expends the highest tax effort for its schools.

This points further to the inadequacy of a wealth measure for allocation of State funds as related to the needs of children.

Despite a major effort by the Federal Government under the Title I ESEA compensatory program to meet these special needs, the comparability data to assure the proper use of these funds over and above the local agencies funding program, preliminary indications lead to prior concerns over misuse of the funds. The Federal Governments' own criteria by not allowing for longevity in the measurement of salaries also leaves much to be desired in their standard of "comparability" funding on a per-pupil level.[73]

Although the Federal Government has engaged in funding a number of special educational programs, federal funds received by the State are not adequate to meet the special needs of many Maryland children. The federal share of the State's education budget in 1969/70 was 8.3% or $62.8 million. The federal impact aid program (P.L. 874), which provides funds for education with no guidelines or criteria for use, accounted for $26.1 million of Maryland's share of federal funds. Federal lunch and breakfast programs in the State amounted to $6.5 million, vocational education operating expenditures, $2.6 million; and the manpower training act, $1.1 million.[74]

A system of information-gathering by the schools would enable the State to identify individual children throughout the State with special needs, and to provide funds and programs in addition to the per-pupil expenditure for these special needs.

As the State phases in its full funding on a per-pupil basis, it must be engaged in an assessment of these education needs, the establishment of priorities, and the development of a funding program for those special needs not met in an equal per-pupil expenditure.

RECOMMENDATION 8

WE RECOMMEND THAT, IN ORDER TO ALLOW FOR THE DIFFERENCES IN COST OF LIVING, THE PER-PUPIL EXPENDITURE FOR ANY COUNTY MAY VARY 5% IN EITHER DIRECTION FROM THE EQUALIZED LEVEL.

It is undoubtedly the case that regional differences in price levels affect the cost of education. However, assessing the impact of such differences is difficult, and the issue becomes intertwined with the question of quality. For example, housing, and perhaps other goods and services for teachers, are less expensive in rural areas. Consequently, it may be possible to pay somewhat lower salaries in rural areas. On the other hand, if rural salaries are much lower than average, rural districts may have difficulty in recruiting high quality teachers.

Indeed, it is possible to argue that salaries in rural districts should be higher so that teaching in such districts may be perceived as more desirable. Because the question of regional differences in price-levels is so fraught with intangibles, it is proposed that no more than a 5% variation be allowed in per-pupil expenditures for any school district. Based on federal cost of living statistics, it is assumed that the higher expenditures will be found in the urbanized areas and the lower expenditures in the rural areas.

RECOMMENDATION 9

WE RECOMMEND THAT ALL COUNTIES BE ALLOWED TO APPLY INDEPENDENTLY FOR FEDERAL EDUCATION AID, AND THAT SUCH FUNDS BE ALLOWABLE TO THE RECIPIENT COUNTIES IN ADDITION TO THE STATEWIDE EQUALIZED PER-PUPIL EXPENDITURE.

The Federal Government is attempting to meet particular educational needs not accommodated for by financial resources of the states through programs such as Title I of the Elementary and Secondary Education Act, which provides compensatory aid to educationally deprived children. The allowance of additional Title I funds and additional funds for other projects designed to meet particular educational needs recognizes the necessity of meeting particular and pressing problems with funds supplementing the State per-pupil expenditure.

A state-funded equal per-pupil expenditure seems particularly compatible with programs such as Title I, ESEA. The Federal Government now is requiring "comparability of services" within a school district before Title I, ESEA funds can be awarded. Until school districts are providing at least comparable services in all schools, federal funds can hardly be compensatory and supplementary. Under our proposed plan, the responsibility for comparability of services would rest with the State, and comparability would seem to be satisfied by the

State's provision of equal per-pupil expenditures. The effectiveness of Title I projects should be enhanced if educationally deprived children are receiving benefits equal to those enjoyed in other schools.

RECOMMENDATION 10

WE RECOMMEND THAT FEDERAL IMPACT AID (P.L. 874) TO INDIVIDUAL COUNTIES BE IN ADDITION TO THE STATEWIDE EQUALIZED PER PUPIL EXPENDITURE.

Certain types of federal aid are given merely to subsidize costs. "Impacted area" aid is currently the most important of this type. It is given to school districts which have experienced an influx of students because of a federal activity. It was established on the assumption that federal employees would not be contributing their fair share of school costs through taxes. Unlike Title I, ESEA, it is not given in recognition of any special educational needs of children. Impact aid funds become part of the general education budget and are not earmarked for compensatory or special programs. In 1969/70 Montgomery County received $6.2 million, Prince George's County $8.9 million and Baltimore City $2.1 million.[75]

On one hand, impact aid funds are a source for an inequity in resources available to a county, and on the other hand there is no educational defensible criteria for measuring how the funds are being spent by a county.

Recognizing this highly inequitable and educationally unjustifiable source of income, the Commission's intent was to recommend that the State deduct this revenue from the county's share per pupil to determine the equalized per-pupil expenditure for an individual county. However, Congressional Law, Title 20--Section 240 (d) (2)--1968 amendment to P.L. 874, specifically prohibits a state from deducting impact aid from a county to determine the state share. It goes further to stipulate that if a state does so the Federal Government will not fund this revenue. The Commission feels the State can ill afford to be penalized by the loss of $26 million dollars.

We further recognize that federal suits and congressional law have been laid down in this instance to the existing state and county financing structures. The problem is additionally compounded in that these federal decisions do not envision state financing and therefore may still not address themselves to a state finance structure. In view of the gross amount of dollars the Federal Government is expending on this program, it would seem an immediate review of the success of its objectives under the existing administrative procedures be undertaken at the federal level.

RECOMMENDATION 11

WE RECOMMEND THAT REVENUE FOR EDUCATIONAL PURPOSES BE RAISED THROUGH THE FOLLOWING MECHANISMS, WITH CORRESPONDING ADJUSTMENTS IN THE TAX STRUCTURE:

A. ASSUMPTION BY THE STATE OF THE LOCAL INCOME SURTAX:

B. THE USE OF OTHER STATEWIDE TAXES, NOTABLY

1. A MORE PROGRESSIVELY GRADUATED INCOME TAX,

2. A MORE EQUITABLE CORPORATE INCOME TAX,

3. A MORE EQUITABLE CORPORATE FRANCHISE TAX, AND

4. SUCH OTHER TAXES TO INSURE EQUITY: AND

C. THE REMAINDER OF THE NEEDED REVENUES TO BE RAISED THROUGH A UNIFORM STATEWIDE PROPERTY TAX, IF NECESSARY.

It is neither appropriate nor possible for us to engage in a full scale evaluation of alternative proposals for taxation to raise the necessary revenues for education. That task was well executed by the Governor's Study Commission on the State Tax Structure (Mills Commission). Neither would it be appropriate for us to dictate specific tax schemes to the General Assembly. Specific details of tax mechanisms are better developed by the State legislators through their experience and deliberations.

However, we are concerned that equality of educational opportunity be achieved through a sound tax structure which is equitable. It is undoubtedly clear that in the next few years new revenues for education will have to be found. Earlier we pointed out that the Mills Commission projected education costs for Maryland under the present formula to be $1.6 billion by 1975. The preliminary indications for 1970/71 estimate education expenditures at $840 million. We believe that our plan for providing equal educational opportunity through a state funding system of equal per-pupil expenditures, coupled with the limit on the percentage of education funds which can be expended for teacher salaries, and with the evaluation of educational productivity, will offer the State a sound method for limiting the spiraling costs of education. Using our pupil enrollment projections, 1969 dollars, and a 3% inflation rate, we project that under our full state funding plan expenditures for education in Maryland will reach approximately $1.6 billion by 1980.

In 1969, education expenditures were 4.1% of the $17.9 billion Gross State Product. The GSP increased to $19.7 billion in 1970, and the Department of Economic and Community Development conservatively estimates the GSP for 1980 at $27.5 billion (1968 dollars and allowing for a 3% inflation rate). By 1980 our proposed equalized expenditures program for education would require 4.1% of the GSP. We hesitate to predict if education will command a higher priority in the future. However, with the vital social and economic benefits the State derives from an educated citizenry it would seem safe to assume that, at the very least, education expenditures would command the same percentage of the GSP over the next ten years.

In the long run, our plan for equal per-pupil expenditures will enable the State to project with some degree of accuracy what funds will be needed for education and to develop a sound tax structure to fund these expenditures. Under our proposal, the education current operating expenses for the three-year phase-in period would be:

(Extrapolation of 1969-70 rates--inflation and cost of living increases not included)

	Projected Enrollment	State Average Per-Pupil Expenditure	Total (000)	Lunch and Transportation (000)	Total (000)
base year 1971-72	909,468	$721.00	$690,391	$37,480	$727,871
1st year 1972-73	903,681	803.00	725,358	37,276	762,632
2nd year 1973-74	895,968	885.00	793,136	36,967	830,103
3rd year 1974-75	886,989	968.00	858,605	36,588	895,192
			$3,067,490	148,311	3,215,798

If we use the first year of the phase-in period, the example below demonstrates one possible way for the State to raise the needed revenues:

Approximate cost of state fully funding per-pupil expenditures for the first year phase-in--1972-73	$725,000,000.00
Estimated present State and federal aid expended for last year (1971-72)	- 312,000,000.00
Needed shift in revenue sources	413,000,000.00
Estimated yield of local income surtax, 1971-72, to be absorbed in more equitable State income tax	-200,000,000.00
Balance to be funded through more equitable corporate franchise and income taxes, State income tax, and statewide uniform property tax, if necessary	213,000,000.00

Assuming that the State and federal revenues expended in 1971-72 would also be available for 1972/73, the State under the Citizens Commission's plan would have to find ways to shift to the State the remaining $413 million which would otherwise be raised and expended locally for education. If the State assumed the entire local income surtax, with an estimated yield of $200 million in 1971/72, it could be incorporated into a more equitable State income tax and used for education. The remaining $213 million could be funded through the revised income tax, more equitable corporate franchise and income taxes, and if necessary, a statewide uniform property tax.

In discussing alternative ways for the State to raise needed additional revenues in the coming years, the Mills Commission stated in its report of January 1971:[76]

-Maryland's relatively heavy reliance on the income tax is sound and we believe that any change should place more rather than less reliance on income taxes. Increased reliance on the income tax has the major advantage that it places state and local governments closer to a position in which revenues will grow fast enough to finance needed increases in expenditures without periodic increases in tax rates. In addition, there are specific objections to increased reliance on re-

tail sales and property taxes, the only realistic alternatives to income taxes as sources of substantial increases in revenues. The Maryland sales tax has a narrow and arbitrary base, and rate increases could worsen the distortions it causes in retail sales. Property taxes impair citizen's ability to provide housing, and further increases would worsen the distortions it causes in retail sales. Property taxes impair citizens' ability to provide housing, and further increases would worsen the problem, especially in Baltimore City where the property taxes are highest and housing conditions are among the worst in the State.

They go on to further point out that Maryland's income tax structure currently ceases being progressive at the relatively low level of annual taxable income of $3,000. They illustrate a more progressive rate schedule which would add several higher rates at higher income levels. They estimate this rate schedule would yield an additional $200 million to the State by 1975.[77]

TABLE 7

ILLUSTRATIVE STATE INCOME TAX SCHEDULE

Taxable Income	Present Rate	Alternative Rate	Effective Rate
0-$ 1,000	2%	2%	1.7%
$ 1,000- 2,000	3%	3%	2.6%
3,000- 6,000	4%	4%	3.4%
6,000- 10,000	5%	5%	4.1%
10,000- 15,000	4%	7%	5.3%
Over 15,000	5%	8%	5.1%

John F. Due, in an article entitled "Alternative Tax Sources for Education", discusses potential yeilds of various taxes.[78] Based on his analysis of types of taxes, he concludes:[79]

-By generally accepted standards of taxation, additional funds for the financing of education cannot, on any significant scale, be found in the local property tax, or in expansion of local non-property taxes, but from expanded State use of sales and income taxes....

Using 1969 data, Due estimated the effects of certain changes in the sales tax for Maryland. Increasing the sales tax to 5% would yield an additional $66 million; including consumer services at the 5% rate, an additional $33 million; and eliminating consumer exemptions, additional $82 million.

Concerning the income tax, Due stated:[80]

-Most states can make more effective use of income taxation, in some by lowering exemptions, in many states by broadening to coverage of the tax by reducing deductions and including tax-free income, and by the use of higher tax rates.

Due outlined one possible income tax structure. Taking the Oregon levy as a model (rates from 4% to 10% and an exemption of $600 per person) he estimates that Maryland could obtain an additional $54 million from this possible income tax structure.

Regarding the use of local taxes for education, Due said:[81]

-Local sales taxes and, to an even greater extent, local income taxes are objectionable in a number of respects and should be integrated into the state levies, except in unusual circumstances when one or a few cities require much more revenues than others.

We strongly concur with the statements of the Mills Commission and Mr. Due in their emphasis on statewide taxes, and we believe that their recommendations not to support statewide services with local taxes, and to revamp the State income tax are sound. We demonstrated earlier the inequitable nature of the local income surtax, which provides considerably different yields per capita in different subdivisions. Therefore, we recommend that the local income surtax be assumed by the State and restructured into a more equitable State income tax. We believe that a restructured and more equitable income tax could bear the bulk of expenditures for education. Other good potential revenue sources are more equitable corporate franchise and income taxes.

If a statewide uniform property tax were imposed at $1 per $100 of assessed valuation it would yield $230 million. Such a statewide property tax in the Commission's view should be the first $1 of the property tax levy and not levied in addition to the existing property tax rate. At present there is no county with a property tax less than $2 per $100.

We want to emphasize our concern that the bulk of support for education not fall on a tax with the regressive nature of the property tax. Several subdivisions, particularly Baltimore City, already bear a heavy property tax burden. Although we do recommend that a statewide property tax for education not be levied in addition to the already existing tax rate, we also recognize that the property tax is essentially a local tax needed for local governmental services. Furthermore, the property tax does not have the growth potential of the income tax. We would prefer that education, a major state governmental service, depend on major growth taxes such as the income tax and that the property tax be retained for use by local governments.

RECOMMENDATION NO. 12 & 13

WE RECOMMEND ALONG WITH THE CURRENT STRUCTURE OF STATE AND COUNTY SCHOOL BOARD AUTHORITIES A THIRD TIER FOR SCHOOL GOVERNANCE BE PROVIDED FOR AT THE COMMUNITY LEVEL...

RECOMMENDATION 12

WE RECOMMEND THAT THE STATE EMPOWER EACH COUNTY SCHOOL BOARD TO CREATE A COMMUNITY SCHOOL BOARD AND TO DELEGATE ANY OR ALL OF ITS RESPONSIBILITIES TO THE COMMUNITY SCHOOL BOARD. SUCH RESPONSIBILITIES COULD ENCOMPASS THE SCHOOL BUDGET, THE DEVELOPMENT OF COMMUNITY PARTICIPATION AND THE AUTHORITY TO HIRE THE PRINCIPAL FROM A COUNTY PERSONNEL LIST.

RECOMMENDATION 13

WE RECOMMEND THAT, IF AND WHEN THE SCHOOL POPULATION OF A COUNTY EXCEEDS 30,000 STUDENTS, THE STATE MANDATE THE RELEVANT COUNTY SCHOOL BOARD TO SUBMIT WITHIN ONE YEAR A PLAN FOR COMMUNITY PARTICIPATION IN THE DECISION-MAKING, GOVERNANCE AND ADMINISTRATION OF THE SCHOOLS UNDER ITS CONTROL. SUCH A PLAN WOULD HAVE TO SHOW EVIDENCE OF COMMUNITY PARTICIPATION IN ITS FORMULATION AND ADOPTION.

The repeal of the school laws which mandated district boards of trustees for each local school eliminated a necessary vehicle for community involvement in local schools and took away a vital link between the community and the county school board. Such a vehicle is critical if community involvement is to be maintained in the State's twenty-four large school districts. Because of their size, Maryland's twenty-four school districts are what most states consider "regional" districts, and include some of the largest school districts in the country. Their size in geographic terms provides wider opportunities for a variety of program offerings to students as well as other benefits not available in states with smaller districts. However, the opportunities for direct community involvement also must be provided, and precautions must be taken to insure that this opportunity is not buried in large educational bureaucracies.

In a five-year period the growth rate in school population among the twenty-four subdivisions has varied from 0% growth to as high as 56% growth. In 1970 Baltimore City's school population was the highest at 192,826 with Kent county representing the smallest school population of 3,934 pupils. For Kent county this represented an 11% growth over five years at the same time the city's school population has decreased over the same five years by 0.9%.[82] Although few would argue a school board governing 192,826 pupils is above a maximum size for desirable community participation to be effective in policy and decision-making, we think it becomes apparent that the growth of a county school population as well as the size are both vital factors in indicating a need for community participation in schools.

Studies have shown a very serious dichotomy in school problems which must be considered in all funding schemes and structures. On the one hand, an insufficient number of students in a school system seriously impairs the ability of that system to provide the necessary programs for all of its children. In the other instance a single school board governing too large a student population develops an inflexibility, both through rigid bureaucracy and sheer numbers of students.

There are many factors which must be taken into consideration when determining either a minimum school district size or a maximum school district size. Rhode Island's plan for education[83] found some of these factors for a minimum school district population requirement to be:

1. Lower unit costs
2. Better curricula and better services
3. Better personnel
4. Increased equity
5. Higher aspiration levels
6. Lower overall costs

At the same time The Rhode Island plan asked the usual question about overly large school districts:

-At what point does the school district become so large that it becomes sluggish, bureaucratic, entrapped in red tape, unresponsive to the public will, unacceptable to ambitious parents, and so trouble-ridden that it cannot solve its own problems? There is clear evidence that school districts can grow to the point that they have these difficulties and must actually be decentralized in an attempt to solve them...Many large districts in America contain four, six, ten or more subordinate units enjoying some degree of authority over the school program in their geographic areas.[84]

The study further indicated greater availability of programs with school populations of over 10,000.

Maryland has nineteen counties with a student population varying from 3,900 to 30,000 students. The remaining five counties are the large metropolitan counties with a range of 74,000 students up to 192,000.[85]

Maryland, like many other states, faces the attending school problems with the differences of communities ranging from under-populated rural communities to highly populated metropolitan school centers.

Holding to our objectives for local control, vis a vis a community's right to choose its governing structure, A need for a broad availability of programs, and a need for the efficient use of programs and funds, we believe that a community-developed school governance plan along with the county board of education would provide the most efficient, meaningful and flexible vehicle for local control.

The very nature and functions of local control and community involvement militate against uniformity of structures. Plans for local participation in policy control and decision-making should be flexible and change with the needs and desires of the local communities. However, we also recognize that in the larger, urban school districts local control can get lost in the sheer numbers of students and the day-to-day administrative problems of dealing with such a large system. Thus we see the need to require large urban districts to develop some plan for effective community involvement in the local schools. Districts may choose to use community boards, or they may devise some other arrangement. When large school systems merely have the option to develop structures for local control, it is very easy to neglect exercising the option.

COUNTY SCHOOL BOARDS

RECOMMENDATION 14

WE RECOMMEND THAT THE STATE PROVIDE LEGISLATION FOR LOCAL REFERENDUM EVERY EIGHT YEARS TO DETERMINE THE METHOD OF SELECTING COUNTY SCHOOL BOARD MEMBERS AS BETWEEN LOCAL APPOINTMENT OR LOCAL ELECTION.

Maryland is the only state in the country which has local school boards appointed by the Governor. Out of the twenty-four school districts, Montgomery and Charles counties have locally elected school boards; Baltimore City has a locally appointed board. It is difficult to see how any significant degree of local control can exist when local board members are appointed by the Governor. The result that can be expected is that local boards are removed from the local community when the local community plays a negligible role in their selection and has no power to remove them.

There is little evidence which strongly supports one form of local selection over another. The effectiveness of either local appointment or local election will de-

pend on the desires and characteristics of each individual district. Rather than mandate or even suggest one method over another, we prefer that communities decide on the method best suited to them. We do suggest that all school board elections be on a non-partisan, election-year basis. Provisions could be made for election of members at the time of referendum, similar to procedures followed by some counties in voting at the same time for a county charter and a new county council.

RECOMMENDATION 15

WE RECOMMEND THAT THE COUNTY SCHOOL BOARDS MAINTAIN THEIR AUTHORITY TO NEGOTIATE, TO HIRE AND FIRE, AND TO SET STANDARD AND CONDITIONS FOR ALL PROFESSIONAL AND NON-PROFESSIONAL EMPLOYEES OF THEIR SCHOOL SYSTEMS.

The only limitations on a school board's authority for personnel policies that the Commission is recommending are those that have been discussed earlier, namely, that at least 20% of the district's budget must be spent for items other than professional salaries and fringe benefits and that the per-pupil expenditure for the district can vary only 5% from the statewide per-pupil expenditure. The maintenance of local budget authority for personnel policies is a critical part of local control in educational matters.

RECOMMENDATION 16

WE RECOMMEND THAT THE COUNTY SCHOOL BOARD, AND/OR COMMUNITY SCHOOL BOARDS OR THEIR COUNTERPARTS WHEN SO EMPOWERED, BE RESPONSIBLE FOR SUBMITTING A PROGRAMMED BUDGET ON A PER-PUPIL EXPENDITURE, PER-SCHOOL ALLOCATION TO THE STATE BOARD OF EDUCATION.

Under the current State formula, the procedures for allocating State funds to the twenty-four school districts involve two basic steps taken at different times of the year. The first occurs when each district files with the State projections of numbers of pupils, numbers of certified teachers, numbers of handicapped children, and transportation costs. Adjustments are made by the end of the year when more concrete data are available. This information is the basis for the State's current year allocation of funds under the present formula, and it is used by the budget planning department of the State Department of Education. The second step is taken when each district files its education budget expenditures as approved by the Baltimore City Council, the county councils, or the county commissioners. These expenditure budgets are used by the Research, Evaluation and Information Systems Division of the State Department of Education to develop research and statistical information.

Under our proposed program the same basic procedures would be used with only slight modifications. In the first step, district boards and/or community boards of education would continue to file projected student enrollment, number of handicapped children, and transportation costs, eliminating the number of certified teachers. This would provide the information necessary for the State to allocate funds on a per-pupil expenditure basis each year.

The second step of filing an expenditure budget with the State is a necessary

part of the State's information system. We suggest that the expenditure Budget be developed on a program cost basis to assist the State in its determination of per-pupil costs and program costs, and in its evaluation of program effectiveness. The statistical and research information provided by these budgets would be a vital tool for the State Department of Education and the Statewide Review Board (see Recommendation 18) in recommending per-pupil expenditures following the three-year phase-in program. The school-by-school expenditure budget will also provide the necessary information for the State to assure equal per-pupil expenditures throughout the State.

When school-by-school budget information is coordinated with information on the student population characteristics and the evaluations of school performance, the State, the districts and the local communities will begin to have some vital information to set future educational priorities for their budgets. It will assist in determining where extra funds above the statewide equal per-pupil expenditure are needed to meet the exceptional problems in individual schools. Budget information collected on a school-by-school basis also assists the district school board in developing vocational and other special programs on a coordinated county-wide level.

IMPROVEMENTS AT THE STATE LEVEL

RECOMMENDATION 17

WE RECOMMEND THAT THE STATE BOARD OF EDUCATION BE INCREASED FROM ITS PRESENT SEVEN MEMBERS TO NINE MEMBERS TO REFLECT THE ETHNIC, RACIAL AND SOCIO-ECONOMIC COMPOSITION OF THE STATE.

In Maryland's current governance structure for its schools, the size of a county school population determines the number of members on that county school board. Counties with school population up to 50,000 have five-member school boards; school populations of 50,000 to 100,000 have seven-member boards; and a county school population of over 100,000 students requires a nine member board.[86]

The State has experienced a school population growth of 19% over the last five years, and a growth in overall population of 32% between 1950 and 1960, and 27% between 1960 and 70. In 1960 Maryland ranked 21st among the states for total population, and by 1970 Maryland had moved to a rank of 17th among the states in total population.[87]

Although Maryland has recognized the need for increases in school board size as the school population has grown in districts, it has not yet taken the necessary steps to insure that the State Board of Education is sufficiently large to represent the diverse population in the State. An increase in the State Board from seven to nine members will tend to improve the Board's ability to represent the varied ethnic, racial, geographic, cultural and socioeconomic groups in Maryland, yet will not create a Board of unwieldy size.

RECOMMENDATION 18

WE RECOMMEND THAT THE LEGISLATURE PROVIDE FOR A STATEWIDE REVIEW BOARD, WHOSE MEMBERSHIP WOULD BE COMPOSED OF A MEMBER FROM EACH COUNTY SCHOOL BOARD. EACH COUNTY SCHOOL BOARD WILL SELECT ITS RESPRESENTATIVE FROM AMONG ITS MEMBERS.

WE RECOMMEND THAT THE STATE LEGISLATE SPECIFIC, THOUGH NOT EXCLUSIVE, RESPONSIBILITIES FOR:

A. DEVELOPMENT AND REVIEW OF THE STATE EDUCATION OPERATING BUDGET AS SUBMITTED BY EACH COUNTY ON A SCHOOL-BY-SCHOOL AUDIT:

B. EVALUATION OF THE PER-PUPIL EXPENDITURE FOR THE COST AND EFFECTIVENESS OF PROGRAMS:

C. RESPONSIBILITY FOR THE RECOMMENDATION TO THE STATE BOARD OF EDUCATION OF REVISIONS IN PER-PUPIL ALLOCATIONS EVERY ONE OR TWO YEARS:

D. DEVELOPMENT OF MACHINERY THROUGH THE STATE DEPARTMENT OF EDUCATION FOR COMMUNICATION AND EXPLANATION OF DIFFERENT LOCAL PROGRAMS THROUGHOUT THE STATE.

The State and local boards of education will be developing both State and local standards, goals and objectives for education. The primary benefits of the Statewide Review Board would be the added opportunity for local participation in the development and evaluation of State goals and objectives as well as the assurance of consideration for particular local needs and concerns. The Statewide Review Board would provide an excellent vehicle for the coordinated planning and achievement of State and local goals.

With a State-funded program of per-pupil allocations based on need, the Statewide Review Board, with its representation from Baltimore City and the twenty-three counties, can be of great assistance to the State Board of Education in determining realistic levels of per-pupil expenditures. They can bring to the State Board further insight into the particular needs of the various student populations in all areas of the State and insure that local needs and concerns are met properly.

SCHOOL CONSTRUCTION: A CAPITAL BUDGET PLANNING BOARD*

RECOMMENDATION 19

WE RECOMMEND THAT THE STATE PROVIDE FOR A CAPITAL BUDGET PLANNING BOARD TO REPLACE THE CURRENT "INTERAGENCY COMMITTEE"

1. WITH REPRESENTATIVES DRAWN FROM LOCAL AND STATE SCHOOL ADMINISTRATION AND LEADERS FROM INDUSTRY, FROM THE ARCHITECTURAL AND ENGINEERING PROFESSIONS, FROM THE CITIZENRY AS WELL AS FROM THE EXECUTIVE BRANCH OF THE STATE GOVERNMENT: AND

2. WITH THE SELECTION OF THE MEMBERSHIP EQUALLY DIVIDED BETWEEN THE STATE BOARD OF EDUCATION AND THE LOCAL BOARDS OF EDUCATION (INCLUDING COMMUNITY BOARDS OF EDUCATION OR THEIR COUNTERPARTS): AND

3. WITH THREE MEMBERS APPOINTED BY THE GOVERNOR.

WE RECOMMEND THAT THE STATE LEGISLATE TO THE CAPITAL BUDGET PLANNING BOARD SPECIFIC, THROUGH NOT EXCLUSIVE, RESPONSIBILITIES FOR;

a. DEVELOPMENT OF THE CRITERIA, GUIDELINES AND PRIORITIES THE STATE WILL USE IN ALLOCATION OF ALL CONSTRUCTION FUNDS;

b. REVIEW OF EACH COUNTY'S YEARLY CAPITAL BUDGET REQUEST IN CONJUNCTION WITH THE COUNTY'S FIVE YEAR PLANS TO INSURE THAT THE BUDGET REFLECTS THE GENERAL EDUCATIONAL GOALS OF THE STATE AND COUNTY SCHOOL BOARDS. THE BOARD WOULD SERVE IN AN ADVISORY CAPACITY AT THE DEVELOPMENTAL STAGES OF THE BUDGET AS WELL AS A BOARD OF REVIEW;

c. SUBMISSION OF THE CAPITAL EDUCATION BUDGET TO THE BOARD OF PUBLIC WORKS;

d. PLANNING, COORDINATION AND COMMUNICATION AMONG ALL APPROPRIATE LOCAL SCHOOL AGENCIES THROUGH THE STATE DEPARTMENT OF EDUCATION FOR ALL MATTERS RELATED TO THE CAPITAL BUDGET;

e. REVIEW AND RECOMMENDATIONS FOR THE YEARLY TRANSPORTATION COSTS.

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* Mr. Greenfeld has not participated in any of the recommendations, findings or comments in the Report relating to the Interagency Committee on School Construction.

When the State assumed all school construction costs in July 1971, an Interagency Committee, consisting of the State Superintendent of Schools, the Secretary of State Planning, and the Secretary of General Services, was created to administer the school construction program, for which $150 million was authorized the first year. The Committee had to set priorities for allocations for construction based on requests from the school districts of over $446 million, although in past years their total yearly capital budgets had not exceeded $150 million. The problems encountered both by the Interagency Committee and the local school districts were numerous; to a large extent they can be attributed to the lack of wide representation on the Interagency Committee and to the apparent lack of responsibility on the part of local districts in setting goals and priorities for construction.

If the State is to develop and maintain a rational school construction program within the financial capabilities of the State and at the same time meet the construction needs of the school districts, the program must reflect at both State and local levels coordinated planning and priorities based on educational needs and goals.

The Capital Budget Planning Board we are recommending would provide the board representation needed and incorporate the necessary authorities and responsibilities. Construction plans and capital requests under the plan we recommend would originate with the local districts and would reflect a recognition and understanding by the districts of the State's overall financial abilities and responsibilities for construction. Through their representatives on the Planning Board local districts not only would play a role in the establishment of criteria and priorities by which their construction plans would be evaluated, but also would participate in the evaluation process itself.

Because school transportation is to a great extent a function of the school construction and location policies of the school districts, we also recommend that the Capital Budget Planning Board review and make recommendations for the yearly school transportation costs.

RECOMMENDATION 20

WE RECOMMEND A STATEWIDE SYSTEM FOR EVALUATING EDUCATIONAL QUALITY AND EQUALITY BE ESTABLISHED IN MARYLAND.

Article VIII, Section I of the Maryland Constitution states: "The General Assembly ... shall by Law establish throughout the State a thorough and efficient System of Free Public Schools; and shall provide by taxation, or otherwise for their maintenance."[88] The clear mandate of the Constitution, and the position taken in this report, is that the State legislature is responsible for the financing of schools in Maryland. The phrase "thorough and efficient" must, however, in the modern context be understood as requiring the distribution of quality education (efficient) on an equitable basis (thorough). To this end, and in keeping with our intention to return financial responsibility to the State, we propose a statewide assessment system for Maryland. An outline of such a system is described.

A plan for a coordinated program in which the State Board of Education, the Statewide Review Board (Recommendation 18), the local boards of education and schools would participate in a statewide information-gathering and performance-evaluation system. The recommendations suggest means by which information may be gathered and disseminated to the citizenry as well as to the professional educators. With the mechanisms and processes to measure progress and achievement, educational objectives and priorities can be set and the school system can operate on firm pragmatic bases rather than on intuition and habit. More dollars can make a difference in educational quality if those dollars are spent where they are needed and on the basis of sound information.

If the Commission's recommendations are accepted and legislated, then at the end of the three-year phase-in period of the State-funded system per-pupil expenditures will be equalized throughout the State. At that point the State would begin setting per-pupil expenditures based on the needs of its total educational program, inclusive of an effective compensatory and special education program. The State will have the knowledge of program needs required at that point only if during the three-year phase-in period the State has engaged in a prior assessment of needs and establishment of priorities. To accomplish that goal, it will be necessary to disseminate information on student needs and school performance at the State and local levels and particularly within the local community. Effective community involvement can occur only when parents and taxpayers have adequate knowledge on which to base their decisions.

The State Department of Education is presently developing a program of educational objectives and the means of assessing educational performance. The additional recommendations we are making for a system of collecting information and evaluating school performances are based on the belief that such a system is an integral part of an effective State funding program and critically important if local control and community involvement are to be more than empty phrases.

As suggested, the State would develop not only statewide educational goals (eg. achievement levels for reading and mathematics) but also statewide criterion referenced tests to measure a school's performance in those areas. The State Department of Education would also collect information on the characteristics of the student population for each school as well as program costs and expenditures from the budgets filed with them. Each school would administer the tests developed by the State, with the tests scored by the State Department of Education. Finally, all of the information gathered by the State Department of Education and the local schools would be evaluated and assessed and provide a basis on which the Statewide Review Board could continually review and recommend educational goals and priorities, per-pupil expenditure levels, and particular needs for compensatory and special funds.

RECOMMENDATION 21

WE RECOMMEND THAT THE STATE BOARD OF EDUCATION BE RESPONSIBLE FOR THE DEVELOPMENT AND IMPLEMENTATION OF AN INFORMATION-GATHERING SYSTEM WHOSE MAIN FEATURES WOULD INCLUDE:

a. THE ADMINISTRATION ON A SCHOOL-BY-SCHOOL BASIS OF CRITERION-REFERENCED TESTS FOR EACH GRADE LEVEL TO DEVELOP INFORMATION ON EACH SCHOOL'S PERFORMANCE.

b. THE DEVELOPMENT OF ADDITIONAL NECESSARY INFORMATION ON A SCHOOL-BY-SCHOOL BASIS

OF THE SOCIOECONOMIC CHARACTERISTICS OF THE STUDENT BODY, OF THE TEACHER PERSONNEL CHARACTERISTICS, AND OF STUDENT PERFORMANCE:

c. THE TRANSMISSION OF ALL PERTINENT AND NECESSARY INFORMATION TO THE DISTRICT SCHOOL BOARD AND TO THE INDIVIDUAL SCHOOLS.

Role of the State Department of Education

Clearly the design and implementation of a statewide assessment system must be handled in a centralized fashion: individual school districts cannot be expected to do it unilaterally, nor is it likely to come about by volunteer efforts. The most appropriate agency to conduct the task is the Maryland State Department of Education (MSDE).

Developmental Research

Two major developmental tasks must be performed before any statewide monitoring and evaluation system can operate efficiently. First, a series of learning objectives must be designed and agreed upon in a specified number of subject matter areas. Possible areas might include:

a. reading proficiency,
b. basic mathematics and computation,
c. elementary science principles, and
d. basic citizenship knowledge and information.

In each of these areas, thought should be given to the minimal standard of knowledge to be expected of every normal student in the state. For example, in reading proficiency, agreement might be reached that by the sixth grade every student should be able to do the following: read a menu, locate information in a telephone directory, complete a driver's license application form, and read directions on a bottle of medicine. In science, similar attention should be given so that, for example, a sixth grade student understands those items which will impinge upon his personal safety and his contribution to the solution of ecological problems. Citizenship education might guarantee that one knows how to obtain information about controversial issues and understands the many different mechanisms by which he or she can participate in government.

Once such objectives are established, criterion-referenced tests need to be designed to measure them. In fact, a large "bank" of questions should be established which contained literally hundreds of sample items capable of assessing a student's progress toward an objective. Out of this bank could be drawn questions to be used by teachers day-to-day in examining their students in the classroom. In this fashion, the test bank would serve diagnostic purposes and enable teachers to identify students who were and who were not learning. Individually prescribed instructional activities could take place accordingly.

In addition, State test makers would be able to draw upon the bank of test items each year as they constructed the annual statewide tests for each grade level. Items would be chosen at random so as to have different tests each year, although each year's tests would be capable of assessing the same learning objectives. Also, presumably, some individuals either within the MSDE or on contract to it, would be employed continually to produce additional test items for the question bank.

Information and Testing System

In addition to developing learning objectives and the tests to measure them, it will be necessary for the MSDE to operate an information-gathering system capable of collecting data on and devising tests for every school in the State. Information should be gathered regarding the characteristics of the student body in a school so that input-output research studies can be conducted.

The system would enable the State to identify those schools which rather consistently produced student learning in excess of that predicted. By analyzing these schools intensely, over time, we would begin to have a better idea of which educational processes "worked" and which did not. In those instances where particular processes were repeatedly found to aid student learning, the State could take steps to see that information about them was disseminated.

External Audits

The annual performance report of a school should be its responsibility to produce. In part, the information for it would come from the MSDE. For example, the State would be responsible for preparing and scoring the annual examinations. The MSDE should perform a periodic external audit. This audit might take place systematically every three years. (A better mechanism might be for it to have the possibility of occurring at random, something in the manner of the Internal Revenue Service's potential for auditing any individual taxpayer.) The purpose of this external audit would be to verify the annual report as compiled by the school. A team of four or so professional evaluators might go to a school and assess it along all the dimensions published in the annual report.

An alternative is to require, either annually or somewhat less frequently, that each individual school obtain an external audit from a "third party." Results of the independent audit would be made available to local officials and also be provided to the MSDE.

RECOMMENDATION 22

WE RECOMMEND THE LOCAL SCHOOLS HAVE THE RESPONSIBILITY FOR COLLECTING THE SCHOOL PERFORMANCE INFORMATION REQUIRED BY THE STATE. THE SCHOOL'S RESPONSIBILITY WILL LIE FURTHER IN THE AREA OF THE ADMINISTRATION OF TESTS AND THE PUBLICATION AND FILING OF ALL NECESSARY INFORMATION WITH THE SCHOOL COMMUNITY, THE DISTRICT SCHOOL BOARD OF EDUCATION AND THE STATE BOARD OF EDUCATION.

The School as the Performance Unit

The unit most basic to the system is the individual school. This is the performance unit around which all testing, auditing, information-gathering, and incentive distributions will be organized. In some instances it will still be useful to gather information in terms of school districts. For the most part, however, school districts tend to be too large as units for gathering useful information for making policy decisions. The larger the unit, the greater the ability for extreme circumstances to be masked, to be lost in and overweighed by average numbers. For instance, a district-wide figure of one teacher for every twenty-five pupils may disguise the fact that some schools within the district profit from pupil teacher ratios of twenty to one, whereas others may suffer from having only one teacher for every forty students. Similarly this is true in terms of per-pupil expenditures.

Whereas school districts strike us as too large and distant from actual operation to be useful for purposes of monitoring and evaluation, the individual classroom within a school appears too confined to be appropriate. For example, particularly in secondary schools but increasingly in the lower grades as well, a student's schooling is not the responsibility of a single teacher in a single classroom. Because it is a cohesive unit with comprehensive responsibility for instructing students, the individual school strikes us as the appropriate basic management or performance unit.

An Annual Performance Audit

Once each year, each school building in a district will be responsible for providing the Maryland State Department of Education with a performance report. Of course, a copy of this report should also be kept by the local school district central office. More importantly, a copy of the report must be published in the local newspaper, sent to the home of each child in the school, and posted prominently within the building so as to be visible to visitors.

The contents of the report will in some measure be left to the discretion of the individual school. However, in addition to whatever items the school chooses to include, every report will have a minimal standardized information requirement. The following table is illustrative:

ILLUSTRATIVE TABLE OF CONTENTS FOR AN ELEMENTARY SCHOOL PERFORMANCE REPORT

School Information

Name, location, enrollment, age of building, number of classrooms, number of specialized rooms, school site size, state of repair, amount spent on maintenance in the last year and last decade, library volumes, etc.

Staff Information

Number of staff by category, proportion in various license classifications, age, sex, experience levels, etc.

Student Performance Information

Intellectual performance: raw scores of students on statewide tests in reading, mathematics, science, and citizenship.

Other dimensions: student turnover rate, absenteeism, vandalism, library, circulation, etc.

Areas of Strength

Whatever the school desired to say about some characteristic of itself which it thought was unique or worthy of being known. The intent here is to encourage every school to have one or a few dimensions in which it specializes or desires to become especially known. For example, it might be in reading or math instruction or in the area of art, music, or physical education. Whatever, it should be described and evaluated by the school.

Areas for Improvement

Here the school would identify whatever it saw as its weakest points and what it would be striving to strengthen in forthcoming years. This might change in some years, or in some instances it might stay the same as a school mounted a long term project to improve student performance. Whatever, the school must establish objectives in these areas which are stated in terms of student performance and which can be measured.

The information about staff and student performance should be published by grade level, or at least by grade level groupings. The contents of the report would vary depending upon whether or not the school was an elementary, junior high or senior high school.

RECOMMENDATION 23

WE RECOMMEND THAT THE STATEWIDE REVIEW BOARD BE RESPONSIBLE FOR:

a. RECOMMENDATIONS TO THE STATE BOARD OF EDUCATION FOR STATEWIDE EDUCATIONAL OBJECTIVES.

b. CONTINUING MODIFICATIONS OF THOSE OBJECTIVES BASED ON ITS ASSESSMENT AND EVALUATION OF SCHOOL ACHIEVEMENT LEVELS, STUDENT CHARACTERISTICS, AND OTHER PERTINENT DATA ASSEMBLED BY THE STATE BOARD OF EDUCATION AND LOCAL SCHOOLS:

c. RECOMMENDATIONS TO THE STATE BOARD OF EDUCATION OF PER PUPIL EXPENDITURES, BUDGET INFORMATION PROVIDED BY THE STATE DEPARTMENT OF EDUCATION, AND DESCRIPTIVE INFORMATION PROVIDED IN THE SCHOOLS' ANNUAL REPORTS ON THEIR PERFORMANCE.

THE NETWORK MODEL

The network model is an instrument for characterizing the specific tasks which must be accomplished in Maryland in order to make a transition from the present district financing system to a full state financed system. Under our proposed change a large number of coordinated activities would have to take place. Of course, it is probably true that not all or, perhaps, even most of the work which will have to be done in order to effect the proposed change can now be foreseen. This lack of predictability can be due to many factors: the indeterminancy of political and social processes, etc. However, a large part of bringing such indeterminancies to heel may consist of specifying explicitly and exactly as best as we presently can what work will have to be done in order to bring about the change.

A network model consists of a set or circles and arrows. The circles may represent the jobs or tasks which must be performed. The arrows may represent the order in which these tasks must be performed.

For Maryland this simple model must be constructed in order to detail the legislation, the administrative machinery, the organizational aspects, etc. That must be coordinated in order to change from district based financing to state based financing. In fact many different networks should be or may have to be drawn representing different proposals. These networks can then form a clarified framework for debate about the changes as well as a system for directing it (allocating responsibility, resources, etc).

Our proposed plan will allow the State to move toward quality and equality of educational opportunity by assuming full fiscal responsibility for the public schools of Maryland. The plan will guide local spending through State measures for per-pupil expenditures, evaluation of results and State and local standards.

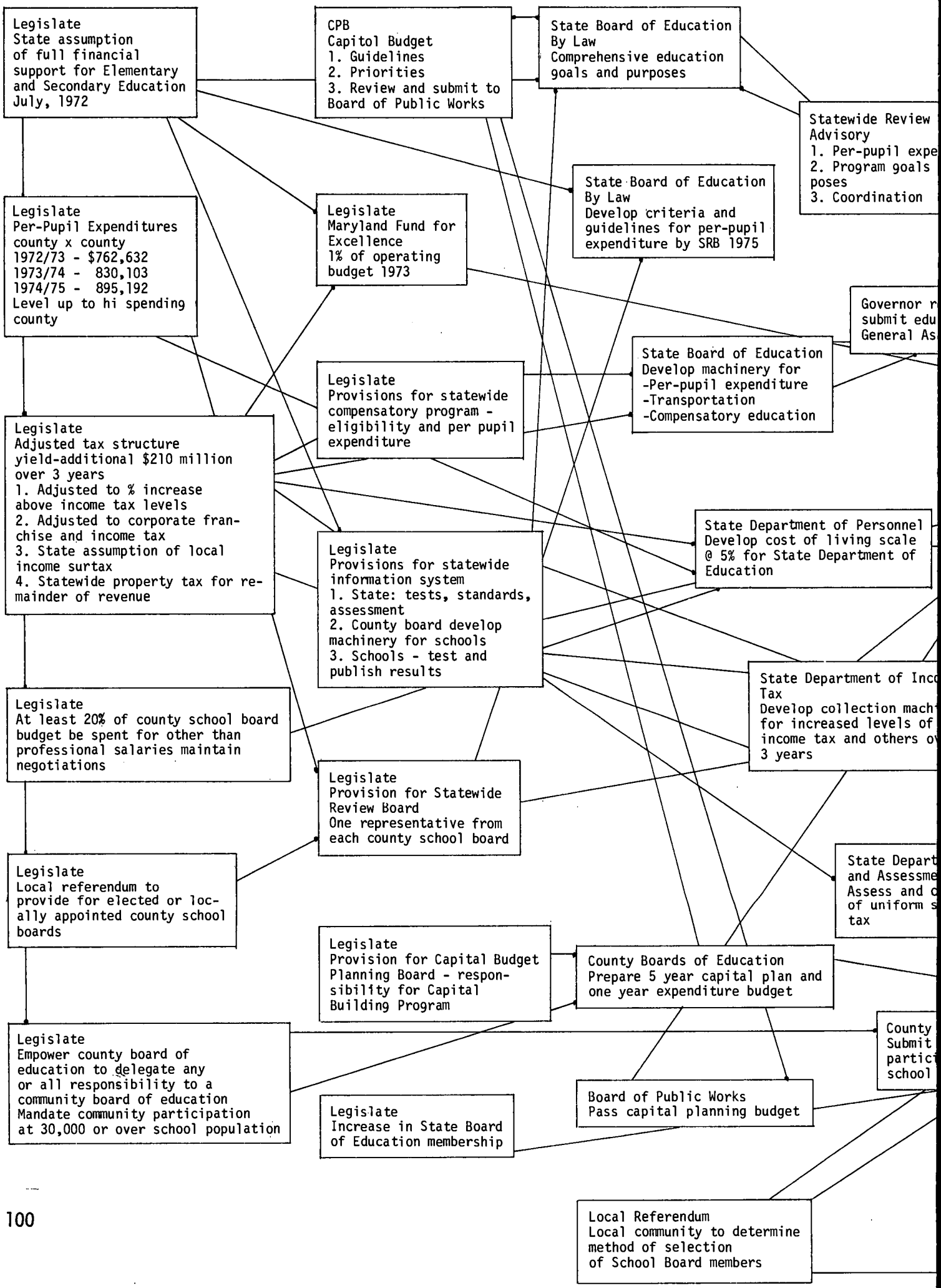
The plan provides for full funding of educational expenditures through a three year phase-in period to eliminate disparities in per-pupil spending. For three years each county will be moving toward equal per-pupil expenditures to reach the level of the high spending county at the inception of the program. Additional expenditures will provide for variances in cost of living, economies of scale, State compensatory programs and federal funds. We are also providing for a "Funds for Excellence" program which will make state funds available, upon application by the counties or schools, for creative and innovative programs. Local decisions over budgetary matters will remain strong through the continuance of local negotiations, with a percentage limitation on the funds to be used for professional salaries and fringe benefits.

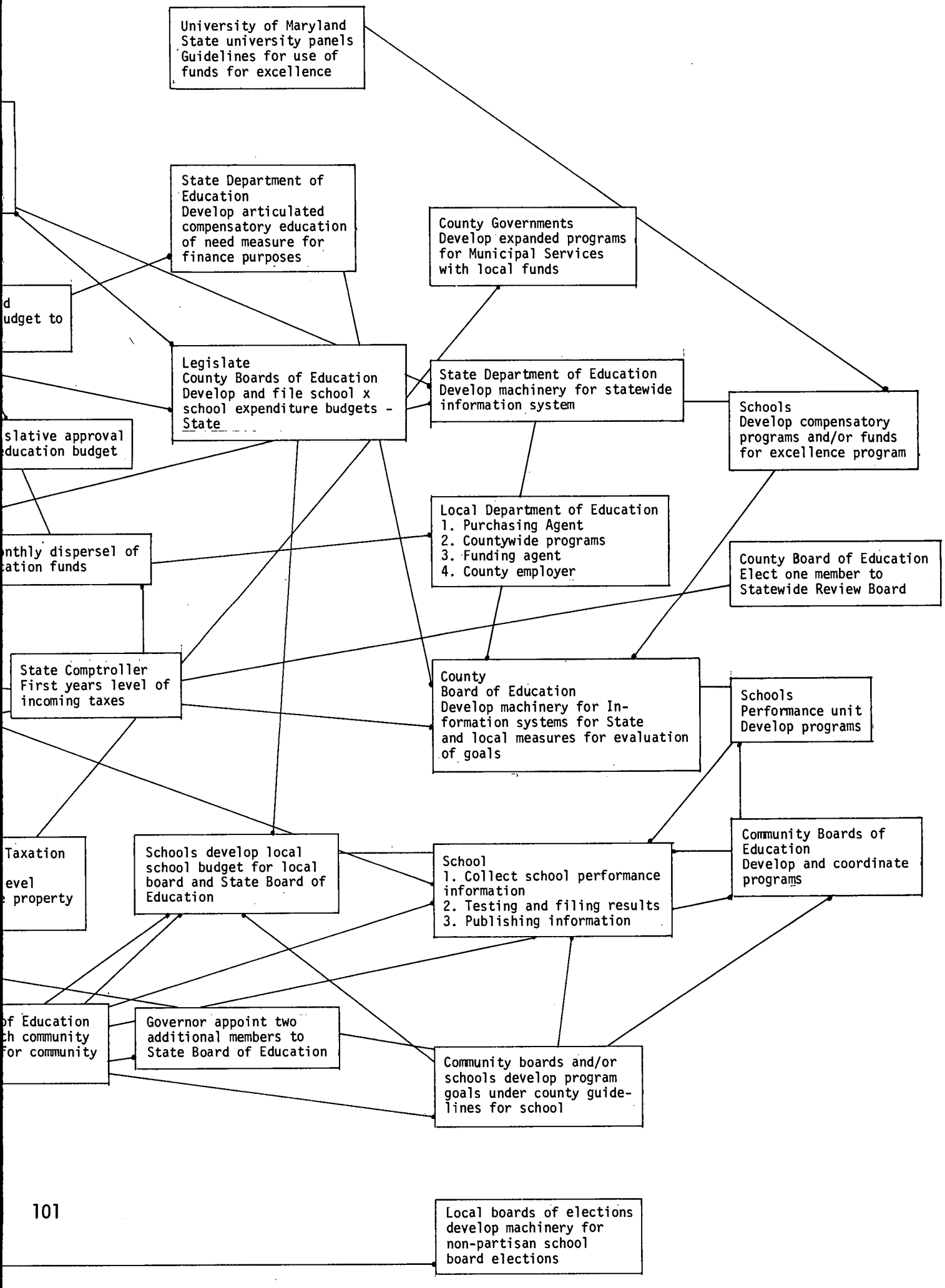
In order to assure fiscal responsibility and equity in taxation the Commission is recommending several progressive tax measures which will provide for the additional $200 million required for our program over the three-year phase-in. These are the State assumption of the piggy-back tax, more progressive income, corporate and franchise taxes, and, if necessary, a statewide uniform property tax. This uniform property tax would be deducted from the existing local property tax.

Fiscal and evaluation responsibilities legally, effectively and efficiently lie at the State level. Likewise for the greatest local efficiency, effectiveness and control, the management and process responsibilities must remain at the local level. We are supporting locally elected or locally appointed county boards of education, community board structures, development of school by school budgets, local negotiations for determination of kinds, and numbers of teachers and curriculum. Along with the State's responsibility for statewide collection of information and specific state goals, the county and communities will be responsible for determination of their own broader aims and goals. Each school will be responsible for publication of information on its achievement and its own individual characteristics.

In addition to broader local control at the community level, we are asking for two additional State advisory boards to increase the local voice at the State level. These would be first, a Statewide Review Board whose membership would be made up of representatives from the local boards of education and whose responsibilities would be to advise the State Board of Education on per-pupil expenditures. The second would be a Capital Budget Planning Board whose membership would be made up of the community, the State and local school administration and the Executive Branch. Their responsibility would be for developing the Construction and Transportation budgets.

The following network model shows the legislative and administrative tasks which will have to be undertaken if the preceding recommendations are adopted.


Legislate
State assumption
of full financial
support for Elementary
and Secondary Education
July, 1972
CPB
Capitol Budget
1. Guidelines
2. Priorities
3. Review and submit to
Board of Public Works
State Board of Education
By Law
Comprehensive education
goals and purposes
Statewide Review
Advisory
1. Per-pupil expe
2. Program goals
poses
3. Coordination
Legislate
Per-Pupil Expenditures
county x county
1972/73 - $762,632
1973/74 - 830,103
1974/75 - 895,192
Level up to hi spending
county
Legislate
Maryland Fund for
Excellence
1% of operating
budget 1973
State Board of Education
By Law
Develop criteria and
guidelines for per-pupil
expenditure by SRB 1975
Governor r
submit edu
General As
State Board of Education
Develop machinery for
-Per-pupil expenditure
-Transportation
-Compensatory education
Legislate
Provisions for statewide
compensatory program -
eligibility and per pupil
expenditure
Legislate
Adjusted tax structure
yield-additional $210 million
over 3 years
1. Adjusted to % increase
above income tax levels
2. Adjusted to corporate fran-
chise and income tax
3. State assumption of local
income surtax
4. Statewide property tax for re-
mainder of revenue
State Department of Personnel
Develop cost of living scale
@ 5% for State Department of
Education
Legislate
Provisions for statewide
information system
1. State: tests, standards,
assessment
2. County board develop
machinery for schools
3. Schools - test and
publish results
State Department of Inco
Tax
Develop collection machi
for increased levels of
income tax and others o
3 years
Legislate
At least 20% of county school board
budget be spent for other than
professional salaries maintain
negotiations
Legislate
Provision for Statewide
Review Board
One representative from
each county school board
State Depart
and Assessme
Assess and c
of uniform s
tax
Legislate
Local referendum to
provide for elected or loc-
ally appointed county school
boards
Legislate
Provision for Capital Budget
Planning Board - respon-
sibility for Capital
Building Program
County Boards of Education
Prepare 5 year capital plan and
one year expenditure budget
County
Submit
partici
school
Legislate
Empower county board of
education to delegate any
or all responsibility to a
community board of education
Mandate community participation
at 30,000 or over school population
Board of Public Works
Pass capital planning budget
Legislate
Increase in State Board
of Education membership
Local Referendum
Local community to determine
method of selection
of School Board members


University of Maryland
State university panels
Guidelines for use of
funds for excellence
State Department of
Education
Develop articulated
compensatory education
of need measure for
finance purposes
County Governments
Develop expanded programs
for Municipal Services
with local funds
udget to
Legislate
County Boards of Education
Develop and file school x
school expenditure budgets -
State
State Department of Education
Develop machinery for statewide
information system
Schools
Develop compensatory
programs and/or funds
for excellence program
slative approval
ducation budget
Local Department of Education
1. Purchasing Agent
2. Countywide programs
3. Funding agent
4. County employer
nthly dispersel of
ation funds
County Board of Education
Elect one member to
Statewide Review Board
State Comptroller
First years level of
incoming taxes
County
Board of Education
Develop machinery for In-
formation systems for State
and local measures for evaluation
of goals
Schools
Performance unit
Develop programs
Taxation
evel
property
Schools develop local
school budget for local
board and State Board of
Education
School
1. Collect school performance
information
2. Testing and filing results
3. Publishing information
Community Boards of
Education
Develop and coordinate
programs
of Education
h community
or community
Governor appoint two
additional members to
State Board of Education
Community boards and/or
schools develop program
goals under county guide-
lines for school
Local boards of elections
develop machinery for
non-partisan school
board elections

PART 4

DISSENTING STATEMENT

I am dissenting from Recommendations 1 and 11A which recommend, respectively, full state funding and the assumption by the State of the local income surtax. In their place I recommend the adoption of a new equalization formula which I will discuss below.

First, I want to make it clear that I enthusiastically agree with the conclusions of the majority that

1. the State is not fulfilling its responsibilities to its citizens for equal educational opportunity;

2. we should have a system of school financing in which local wealth is not a determining factor in allocating funds to education, and;

3. we desperately need a system to obtain the information needed to systematically evaluate the performance of our schools. Thus this dissent is basically one of choice of means to achieve goals shared by the Commission as a whole.

The principal difficulty is that the majority has permitted itself to become preoccupied with the gross, and unacceptable, disparities in per-pupil expenditures in the political sub-divisions of the state, and has neglected to adequately consider other elements necessary for equal educational opportunity and the methods necessary to nourish a dynamic, innovative educational system in a constantly changing world.

In addition, the majority has failed to come to grips with one of the major issues raised by its choice: namely, the near demise of local government in Maryland if the state assumes the local income surtax as envisaged under Recommendation No. 11A.

My alternative proposal, which is consistent with the research developed by the Commission, is that we adopt a new equalization formula which

a. requires a uniform minimum tax effort--or tax burden--of each sub-division for educational purposes,

b. equalizes all to a set, realistic level,

c. encourages additional expenditures by each sub-division by awarding additional state monies to each according to the total tax effort made in that sub-division in relation to its wealth, and

d. which forbids disparties in per-pupil expenditures among the counties to say 15% as between the highest and the lowest. I agree that the aim of the program should be to equal or approach the level of Montgomery County today.

Before explaining this alternative proposal, I will outline generally my reasons for opposing the concept of full state funding.

1. Local Control

As the report indicates, a fair amount of centralization in Maryland's public school system has already occurred. The report however overlooks a number of other factors at work which have and will continue to limit local control over education, whether or not Maryland adopts full state funding.

The influences limiting local control are varied and include:

a. state funding of construction dollars[1];

b. teachers' contracts[2];

c. the traditional desire of some professional educational administrators to limit or avoid lay participation[3];

d. increasing Federal, and State, financing with strings;

e. the prospect of statewide information-gathering and performance evaluation[4]; and

f. increased mobility of the population and standardization of teaching methods by schools of education.

The issue is not simply then whether or not "he who pays the piper calls the tune", it is how best to preserve a meaningful degree of local lay participation in the decisions that count.

Local control consists of two distinct elements--local professional and local lay influence. Lay influence has been exercised traditionally in the areas where professional influence has been the weakest--namely the financing of school construction, transportation of pupils and the financing of school operation. All of these will have been removed from local lay control if we have state funding.

In fact, at the present time the only real method of lay control over the crucial aspects of the operation of our schools is that financial dependence by the professionals on public approval makes them more responsive to reasonable public demands. If there are to be good schools, then funds are needed to pay for them; and professionals seek to stimulate public interest in education in their local subdivisions even at the risk of lay "interference" with the school system.

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[1]Only last year the funding of school construction was transferred from the local sub-division to the state. Although all the ramifications this will have on local control are not yet clear, it is inevitable that the State will influence if not dictate the location of schools and the type of schools that are built.

[2]We have recently witnessed a tremendous growth in the power and influence of teacher's unions. The negotiated teachers' contracts now govern or affect such areas of school policy as classroom size, personnel changes and the like.

[3]See, for example, material collected in Governing Education, edited by Alan Rosenthal, Anchor Press, 1969.

[4]I concur with Recommendations 20-22 which propose such a statewide system. We should all recognize however that the collection of comparable statistics on different schools will give impetus to the imposition of additional state standards.

In short, in Maryland local lay control has not really existed because of the presence of the local lay school board, whether appointed or elected, but has resulted indirectly from the fact that the professionals operating the school systems have had to seek and heed a certain amount of local lay advice in order to maintain an adequate level of local spending to support the schools.

In the place of local lay control over these three crucial issues, the report recommends (#13) decentralization of the state's five largest school districts (those with over 30,000 pupils). The other nineteen school systems are only to be authorized to delegate functions to community boards, much like their right to form citizen committees in the law now. At least as to these nineteen counties the net effect of the report, even without the state funding aspects, is for increased state control. Thus we are to be placed in the position of no local lay control over financing issues and little possible local lay control over the traditional local professional concerns because of loss of leverage and loss of local professional control to the State.

It is inevitable that the concerned parent or taxpayer will look to the elected officials who provide the money to correct the abuses they think they see in the educational system or to make the changes they want made. It would be naive to believe that the public in general, or even a substantial part of it, would feel that it cannot or should not put pressure on its elected state officials to effectuate changes it wants in the educational system, if it is that particular legislator who is to appropriate the money which will eventually come down to the local school system. I submit that this will occur no matter what types of safeguards, boards or other changes are made. This fact alone creates an impetus to centralization of control together with centralization of financing.

Teachers and educators in large numbers, both within and outside the school system, are convinced that a good education requires a great deal of experimentation with new practices and thus a much wider latitude of individual decision-making on the part of those who are in actual contact with the children. There is a great deal of misunderstanding today about the merits of some of the methods of teaching that have come out of this process, but there is little question that with the rapid change taking place in the world today, this experimentation must be an ongoing thing in order that our educational system remain an effective dynamic force. Where teachers have a great deal of individual decision-making in the classroom, as opposed to those who are under close direction from a hierarchy above, the quality of education is generally found to be markedly superior.

Another major reason for support of local control is a desire to retain the comparative simplicity of smaller organizations. With the tremendous population growth that we have had and the increasing complexity of education, our school systems are having to face all the organizational problems which are generally associated with large bureaucracies.

The battle between those who have favored local control on specific issues and those who have State or Federal control on other issues has been with us for a long time[5].

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[5]See, for example, the articles in the following two sources: Governing Education, Ibid; Education and Social Police: Local Control of Education, edited by C. W. Bowers, Ian Housego and Doris Dyke, Random House 1970.

In Maryland the growth of State minimum standards and specific content by the State Board of Education is history. This increasing control by the State Department of Education has certainly coincided with increased State expenditures. The lesson to be learned is not that control inevitably follows the money, but that in a debate already underway as to where the power should lie as to particular issues in public education, the source of financing is a strong additional lever for those who favor State control to use in gaining the upper hand.

It may be that no one can "prove" loss of local control with centralized financing. The evidence however points in that direction, and the burden is upon those who would replace the present system to show that its successor will indeed provide real local control where it counts. Maryland should not become the guinea pig to try out the hypothesis of a few national educators.

What is needed is a period of intense study of the various power relationships in Maryland so we can openly and candidly discuss the issues of local control. We do not fully understand what we have now. Experience with community boards in Maryland, despite the analogy by the majority, was not successful in the past. Lay participation at the state level (Recommendations 18 and 19) cannot be really effective. The creation of more equal opportunity through a formula such as I propose is the only way to assure that the alternatives of meeting the local control issue are still available when the evidence is in.

The Role of Local Government in Maryland

To help pay the tremendous cost of a full state-funded program with a per-pupil expenditure equal to Montgomery County, the report recommends that the State assume the local income surtax.

I submit that such a step would not only stifle the growth of responsiveness and decision-making on the local level, but result in the near demise of local government in Maryland.

It is ironic indeed that this recommendation comes from a commission which recently concluded studies of ways to strengthen local government in Maryland and generally recommended the adoption of Home Rule for all counties.

Not only is the income tax one of the most equitable methods of taxation, it is also a growth tax. Without it, local government in Maryland will of necessity be financed largely by inequitable taxes with a base unrelated to the problems local government has to solve. I fail to understand the basis for the statements in the report critical of the surtax power. Certainly it would be more equitable if the Maryland income tax were more graduated (which I favor) but even as is, it is more equitable than the property tax.

It is difficult to see what alternatives the State could use to raise the extra funds needed to support a fully state-funded program. And, if other taxes were increased to pay for the program without taking away the local piggy-back tax, there is a real possibility that at least some of the local sub-divisions would not reduce local taxes by the amount of the burden assumed by the State, but

use these funds for new or increased expenditures in fields other than education. To say that such a result would raise the taxpayers' ire is probably an understatement.

It should be recognized that much of the pressure for state funding comes not from those who seek more equity in financing, but from local governments faced with spiraling costs and limited means. This problem is real but its solution would best lie, absent any additional Federal aid, through an increase in State aid for education coupled with a more graduated income tax to support it. The latter would also provide more revenue to local government through the piggy-back tax.

Irrevocable Choice

If the majority recommendation were adopted there would be no turning back for Maryland. Local taxing power would be severely curtailed. It would be practically impossible ever to return to a system where any substantial portion of educational funds were derived from locally imposed taxes.

On the other hand, if my alternative proposal were adopted now, we still would have the choice either of further variations of a combined local/state funding arrangement or of going to full state funding if an equalization formula proved unworkable or unsatisfactory in the future.

The significance of this is even more apparent when we realize that the majority proposes that the full state funding program be phased in over three years. During the same three years we could have been phasing in the alternative solution I suggest with substantially the same results in terms of dollars to particular sub-divisions in the State as the phasing in of a full state-funded program. Indeed, I suspect that the result for these three years would be much more equitable in terms of transferring dollars to the sub-divisions who are now trying the hardest but who have the least wealth and the largest number of problems.

I am especially unenthusiastic about accepting a proposal for state funding when, as the majority points out, we have no precise evidence as to the effectiveness of present programs. We also have had no in-depth study or discussion of the local control problem. It is a cure with rather serious potential side-effects not yet fully explored.

4. Other Major Reasons

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a. if the reasoning of the majority is examined carefully, it appears that the only substantial reason for proposing full state funding as opposed to an equalization program is that it would be extremely unlikely for a true equalization program to come out of the legislative melee unscathed.

That argument overlooks several points:

1. The courts are moving quickly toward a requirement that each state support its educational system in such a way that the level of expenditure is not determined by the level of local wealth in the separate sub-divisions of the state. Thus we can reasonably expect that the courts will protect the public from inequitable treatment by their legislators.

2. There is considerably more public support for and understanding of the equity issue today than in the past.

3. The dangers are the same under full state funding as in equalization. There will always be pressure for special programs applicable to a limited number (the report itself proposed several)--the disadvantaged, the large cities, or the wealthy. We end up with the same issues and the same power blocks.

b. Equal dollars expended to not result in equal opportunity. Many intangible factors, even including such things as stability of the teaching staff, have an effect. More importantly, the research done by consultants and our staff shows that the data is not available from which to draw any real conclusions as to how well Maryland's sub-divisions are doing with the funds they have now. As the report on Maryland's system made for this Commission states:

-"...it is impossible for the state or the counties to rationally consider questions of equality of educational opportunity. The existing weak information system would seem to preclude effective management of the educational system by the state or the county."[6]

That same report also asserts that:

-"The state may not in good conscience continue to allocate resources as though each school within the state were identical to every other school in the state."[7]

Under these circumstances, I submit that full state funding is a case of overskill.

AN EQUALIZATION FORMULA

As the report documents, the formula now in effect does not achieve anything resembling true equalization.

However, when that formula is analyzed, it is the minimum guarantees and the complicated criteria as to numbers and salaries of teachers which cause the unacceptable inequities to arise. The Commission failed to give reasonable consideration in its research and report to methods of improving or revising the formula to do away with these inequities. The report dismissed the Hughes Commission formula

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[6]Equality of Educational Opportunity in Maryland: A Status Report, September 1971, by the National Committee for the Support of the Public Schools, p. 13.

[7]Ibid, p. 34

similarly. The recent work by Coons, Clune and Sugarman[8] is probably the best published analysis of the problems of equalization formulas as used in the various states. They clearly show how to draft any number of alternative formulas which could have the result that all the Commission members agree we should have in Maryland. The work in connection with the State of Utah is particularly enlightening.

Moreover, this book raises the very interesting possibility of relating state aid to effort by the local sub-divisions. Thus, the authors contemplate that a local sub-division which taxed itself heavily in relation to the real property wealth and per capita income of its citizens could obtain increased aid from the state relative to its effort in helping itself. While the mechanics of working out such a formula are difficult, I feel that a variation on their scheme would be one of the best means of devising an equalization plan.

To remedy one of the problems inherent in the Coons, Clune and Sugarman approach, the State should set a minimum level of tax effort required of each sub-division for educational purposes. That should be set at a level no greater than the level of the sub-division making the least effort today. The state would then pay the difference between the amount raised locally by such effort and the established uniform per-pupil level. Additional state aid would be made available to favor the sub-divisions that have the highest overall tax burden in relation to their means. No greater disparity between the highest and lowest sub-division of more than 15% should be permitted; the State would thus also set a maximum amount a local sub-division could add to the formula figure. The new formula could be phased-in over a three to five year period.

The incentive to the local sub-division is clear. The competitive nature of our present system is retained. The tax system of the State does not have to be completely revamped. The other reforms suggested in the report would generally still benefit the operation of my proposed system. The local sub-divisions would be free to choose, within the limitations now or hereafter set by State law, which taxes they wanted to use to raise the money required by the minimum rule. This is important since some counties might want to rely more heavily on a real estate tax (for example, Worcester County) and other counties might want to rely more heavily on the piggy-back income tax. This is possible since we are defining effort in terms of burden and not in terms of a specific minimum tax levy such as others have suggested from time to time.

I invite further discussion and comment on this proposal and variations thereof for I strongly feel that a proper equalization formula is far superior to a fully state-funded system.

K. King Burnett

I concur with the dissenting statement.

Milton H. Miller

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[8] Private Wealth and Public Education, Coons, Clune and Sugarman, Harvard Press, 1970.

FOOTNOTES

1. Selected Financial Data, Maryland Public Schools, Division of Planning, Research, and Evaluation, Maryland State Department of Education, (mimeographed sheets) Parts I, II, III 1969, 1970 released June 1971, for year 1969-70.

2. Constitution of Maryland, Article VIII, Section L (General Assembly to Establish System of Free Public Schools)

3. The Public School Laws of Maryland, Annotated Code of Maryland, 1969 Cumulative Supplement, July, 1970, Article 77, Section 40, Boards to Maintain School Systems

4. Report of the School Law Revision Commission, Dr. D. Zimmerman, chairman, page 30

5. STATE Share of Current Expenses, Maryland State Department of Education, Division of Administration and Finance - June 1971

6. Twenty-Sixth Biennial Report, Department of Assessments and Taxation, 1969, 1970 - State Department of Maryland

7. Maryland State Department of Education, Division of Administration and Finance, State Share of Current Expenses.

8. Direct personal Taxes are all income, property, and sales taxes paid by individuals. Excluded are taxes on businesses, public utilities, stocks, transfers, etc.

9. An SMSA is a Standard Metropolitan Statistical Area as defined by the U.S. Bureau of the Census. It consists of a central of over 50,000 population and the surrounding counties which are economically linked to it. Baltimore City's SMSA consists of the City plus Baltimore, Anne Arundel, Carroll, Harford and Howard Counties.

10. State and Local Finances: Significant Features, 1967-1970, Advisory Commission on Intergovernmental Relations.

11. Ibid.

12. Some economists have argued that the municipal overburden phenomenon does not exist. While city residents pay the extra costs of receiving the commuters each day, the commuters bear the added costs of the commuting itself. Suburbanites choose the commuting costs by their choice of residence; city dwellers choose municipal overburden. Regardless of which argument is the more correct, city dwellers pay more taxes and spend less on education. Unless one is prepared to defend the position that city dwellers have less desire for education, the disparity cannot be dismissed.

13. Advisory Commission on Intergovernmental Relations, Op. Cit.

14. The Commission to Study the State's Role in Financing Education, Background Book, July, 1970.

15. Guthrie, James W., etal, Schools and Inequality, Washington, D.C., The Urban Coalition, 1969. (A summary of three comprehensive large scale research studies which attest to the importance of teacher qualities as the critical variable in student achievement)

16. There is some jumping within quartiles. For example, Baltimore City has the fourth highest average teacher salary while it is 13th in wealth per pupil. However, rank correlation test using all counties and all average teacher salaries results in a r_s of .552. This correlation is sufficiently high to prohibit the rankings from being viewed as independent of one another (i.e. they are related).

17. Guthrie, James W., et al., School and Inequality, Washington, D.C., The Urban Coalition, 1969

18. Maryland's Obligation to Its Children for Their Education, Report of the Commission to Study the State's Role in Financing Public Education, February 1971, p. 5.

19. Arthur E. Wise, "Is Denial of Equal Educational Opportunity Constitutional?," Administrators Note Book, February, 1965-ppl-4

20. 347 U.S. p. 493

21. 377 U.S. 218, 231 (1964)

22. Reynolds v. Sims, 377 U.S. 533, 565-66 (1964)

23. 351 U.S. 12 (1956)

24. Ibid., p. 18

25. 293 F. Supp. 327 (1968)

26. 394 U.S. 322 (1969)

27. Burruss v. Wilkerson, 396 U.S. 44 (1970)

28. Hobson v. Hansen, Civil Action No. 82-66, May 25, 1971

29. 269 F. Supp. 401, 1967

30. 269 F. Supp., At 496 - 97

31. Serrano vs Priest, California Supreme Court, August 30, 1971.

32. Maryland's Obligation to its Children for their Education, Report of the Commission to Study the State's Role in Financing Education, page 1, Recommendations, February, 1971

33. Ibid. - Page 5

34. Maryland's Obligation to Its Children for Their Education, op. cit., p. 10

35. Testimony by State Senator Meyer Emanuel before the Citizens Commission on Maryland Government, Public Hearings, Annapolis, May 1971.

36. Testimony by Henry M. Levin, Associate Professor of Education and Economics, Stanford University, as reported in Hearings Before the Select Committee on Equal Educational Opportunity, Part 7, Inequality of Economic Resources, p. 3516.

37. ACIR, "Financing Elementary and Secondary Education." undated, page 3

38. "Capital Embodiment: A New Approach to Paying for Schools", Henry M. Levin, James W. Guthrie, George B. Kleindorfer, Robert Stout, New Models for American Education, James W. Guthrie and Edward Wynne, ed., p. 211.

39. League of Women's Voter's of Baltimore City, Effective City Government, Part IV, The Board of School Commissioners May, 1971

40. Cooperative Planning for Education in 1980, p. 93

41. "The Case for Community Control of the Schools", Henry M. Levin, New Models for American Education, James W. Guthrie and Edward Wynne, ed., p. 136

42. Public Schools Laws of Maryland, Annotated Code, 1969 Cumulative Supplement, July, 1970-Article 77, Section 117 (G)

43. The Baltimore City School Board prepares the education budget, and submits it for review and approval by the Mayor and the City Council. The budget is also reviewed by the Director of Finance and the Board of Estimates.

44. In the last ten years the trend in the country has been away from fiscally autonomous boards to fiscally dependent boards along with the consolidation of school districts. Some examples of states following this consolidation trend are Delaware, New Jersey, North Carolina, and Michigan. A fiscally autonomous board has the ability to raise its own taxes for school purposes. However, they have very strict limitations placed upon them by state legislatures. It has been thought that Maryland's structure of providing a broader local tax base for its school districts by encompassing them under the local government has prevented some of the horrendous vetoes for school bonds and school funds other areas of the country have experienced. There are no fiscally autonomous school boards in Maryland.

45. "The Public School Laws of Maryland", Article 77 - Sec. 34, The Annotated Code, 1970 Cumulative Supplement.

46. Underlining added by the author for emphasis.

47. "The Public School Laws of Maryland", Article 77 - Sec. 41, The Annotated Code, 1970 Cummulative Supplement.

48. Ibid., Sections 107-112.

49. Ibid., Sections 2-3. "Educational matters affecting the State and the general care and supervision of public education shall be entrusted to a state department of education at the head of which shall be a state board of education.

50. Ibid., Section 6, The State Board of Education has the authority to "...determine the education policies of the State; they shall enact bylaws, rules, and regulations for the administration of the public school system, which when enacted and published shall have the force of law....."

51. "Code of Bylaws of the Maryland State Board of Education", Article 77-The Annotated Code, 1969 - Bylaws 600 - 635

52. Ibid., Bylaw 313.

53. Ibid., Bylaw 312:1.

54. Ibid., Bylaw 312:2.

55. "The Public School Laws of Maryland", Article 77 - The Annotated Code, 1970 Cumulative Supplement - Section 117

56. A profile of this aspect of federal and regional control of the schools may be found in Myron Lieberman's, The Future of Public Education.

57. "The Public School Laws of Maryland", Article 77 - The Annotated Code, 1965 Cumulative Supplement - Section 4

58. Ibid., Sections 18, 76, 77, 78.

59. Report of the Commission to Study the State's Role in financing Public Education, Maryland's Obligation to Its Children for Their Education - Annapolis, Maryland, February, 1971 - page 14

60. Chapter 624, (House Bill - 861) - Section 130A, Article 77 - 1971 - Public Education - Finance and Reports Subsection (d)

61. Ibid - subsection (e)

62. Recommendations to the Board of Public Works - Committee to Establish Rules, Regulations, and Procedures for the Administration of the School Construction Program - As adopted by the Board of Public Works.

63. Excerpted from a paper prepared for the Commission by Dr. George B. Kleindorfer and Paul Goldfinger - "The Determination of Capital Needs for Public School Construction."

64. Baltimore County Board of Education - Summary of Proposed 1969 - 1970 School Capital Budget and Five Year Capital Program for 1972-1977

65. Board of Education - Baltimore County - Report on Transported Pupils - Overcrowded Conditions - 1968 & 1969

66. Blue Print for the "60's" - Board of Education Baltimore County-Baltimore County Department of Education

67. Selected Financial Data - Maryland Public Schools and Community Colleges - 1965 through 1968 - Division of Research and Development Maryland State Department of Education

68. Proposed Public School Construction Program - Summary of Capital Requests - 1972 - 1977

69. Advisory Commission on Intergovernmental Relations, Financing Elementary and Secondary Education, undated, p. 3.

70. Congressional Record, Vol. 117, No. 41.

71. Dr. Paul A. Cooper, State Takeover of Education Financing (paper presented at the National Tax Association Seminar, Washington, D.C., July 1971) pp. 25 - 26.

72. Thomas, J. Alan, The Productive School (New York; Wiley, 1971), pages 45-50

73. Maryland State Department of Education, Division of Compensatory Urban and Supplementary Programs, Manual on Comparability ESEA, Title I

74. Maryland State Department of Education, Selected Financial Data, Division of Planning, Research, and Evaluation, Part III, Table 7 Receipts from Federal Government, 1969/70

75 Ibid.

76. Study Commission on the State Tax Structure, Report to the Governor Council of Economic Advisors Report.

77. Ibid. p. 21

78. In Johns, et al., Economic Factors Affecting the Financing of Educational Finance Project, Vol. 2, Chapter 10, pages 291 - 328.

79. Ibid., 325.

80. Ibid.

81. Ibid, 326

APPENDIX A

EQUALITY OF EDUCATION OPPORTUNITY IN MARYLAND: A STATUS REPORT

THIS REPORT WAS PREPARED BY THE NATIONAL COMMITTEE FOR SUPPORT OF THE PUBLIC SCHOOLS AT THE REQUEST OF THE CITIZENS COMMISSION ON MARYLAND GOVERNMENT. SEPTEMBER, 1971

DISPARITIES IN EDUCATION OPPORTUNITIES WITHIN AND AMONG FIVE MARYLAND COUNTIES

In order to examine the education opportunities available to children in Maryland at the present time, it is useful to examine a few counties more closely. In the five-county examination it is possible to explore questions related to education accomplishments--or the results of the present structure--as well as the quality of education services provided in each county.

The five counties chosen for closer examination include Montgomery, Baltimore, Prince George's, Calvert and Baltimore City. These counties were chosen in part because information was more accessible in them than in other counties, and in part because they represent a good cross-section of the State. Metropolitan, inner-city Baltimore and rural Maryland are represented. Heavily populated and sparsely populated areas are included; there is a great variation in wealth among the five counties. Some of the basic contrasts among the five counties may be reviewed in Table 1. It is obvious that there are great disparities among the counties with regard to their ability to provide quality education, the relative needs of their students, and their present level of tax effort. Given the gross disparities apparent in these few descriptive statistics, one would anticipate that schools in each county would differ in the degree to which their students succeeded in mastering reading and arithmetic skills.

It would be helpful if one could examine the allocation of resources among the schools in each county. Unfortunately, the State has traditionally collected only that school-by-school data which was necessary for certification and salary administration. Little information about allocation of education services on a school-by-school basis is available at the State or county level. Only two counties contacted in this study were able to provide information about the resources available for the operation of the instructional program at the building level. Consequently, as we try to examine intra-county expenditures, we find we have much data available about the teachers, but little about other instructional costs.

The State and the counties are more systematic about collection of achievement data on a school-by-school basis. However, in gathering data for the study it was apparent that there is very little coordination among the counties with regard to the type of test given, the times at which students are tested, or the way in which scores are reported. In several counties, the scores are not reported at all, except as individual scores returned to individual students. Of the five counties included in this study, only Baltimore City has a policy of publishing achievement test results on a building-by-building basis; Prince George's County intends to do so at a future date.

Apart from systematic collection and analysis of information about education resources and student achievement on a school-by-school basis, it is impossible for the State or the counties to rationally consider questions of equality of educational opportunity. The existing weak information system would seem to preclude effective management of the education system by the State or the county.

It is possible to examine education accomplishment in five counties. In order to achieve some comparability among the variety of tests and procedures used by these counties, we proceeded as follows. The range of possible tests was reduced

TABLE 1

WEALTH, TAX EFFORT, PERCENTAGE OF SCHOOL CHILDREN FROM LOW INCOME FAMILIES, AND PER PUPIL EXPENDITURES AMONG FIVE MARYLAND COUNTIES.

County	Wealth Per Pupil (rank in state)	Tax Effort (rank in state)	Percentage of School Children from Low Income Families [1] (rank in state)	Per Pupil Expenditure. (rank in state)
STATE	$20,926	$2.43		$712.33
Montgomery	$30,349 (1)	$2.28 (12)	1.5 (23)	$876.40 (1)
Baltimore	$26,024 (2)	$2.38 (9)	3.0 (22)	$726.13 (2)
Pr. George's	$20,290 (8)	$2.68 (2)	9.0 (17)	$724.88 (3)
City	$17,697 (13)	$2.59 (4)	26.6 (6)	$717.26 (4)
Calvert	$13,357 (21)	$2.26 (13)	35.9 (1)	$583.91 (19)

[1] Estimates only were available for Somerset County and it is not included in this ranking

to reading and arithmetic. These are two central areas of academic achievement where achievement is most important for the student and more easily measured through standardized tests. Instead of reporting scores as such, we are concerned with the occurrence of low achievement as evidence of inequality of educational opportunity. The results are therefore treated somewhat differently than when simply describing scores alone. Three segments of the school program were selected for analysis: the primary grades, the middle grades and the secondary grades. We attempted to standardize data collection by selecting third, seventh and tenth grades. Where data was not available for these grades, we used adjacent grades.

Table 2 displays a summary of education accomplishment in the five counties. The accomplishment data for Montgomery County, Baltimore County, and Calvert County are presently negative--the lower the percentage the higher the education accomplishment within schools of the county. One can interpret the date positively: 86% of the Baltimore County schools are succeeding in reading; 46% of the schools in Calvert County are succeeding.

It is unfortunate that data for Baltimore City and Prince George's County are reported in a form that makes it difficult to compare the five counties on a single scale. In these two counties, schools were considered to be performing below the national norm if the average percentile score for a grade level in the school was less than .50 on standardized tests. Montgomery, Baltimore, and Calvert Counties were considered to be performing below the national norm if more than 23% of the students in a grade level scored below the 23rd percentile on a standardized test. It would be extremely unlikely, but theoretically possible, for a school to be above the 50th percentile even though 23% of its students were below the 23rd percentile (e.g. the other students could be at the 90th percentile). Conversely, it would be possible, but not likely, for a school to be below the 50th percentile and not have 23% of its students below the 23rd percentile (e.g. all students in the school could be at the 40th percentile).

One may, then, choose to interpret the two measures as though they are similar, or more conservatively, analyze the two sets of data separately.

Whichever interpretation is used, it is clear that disparities in education accomplishment vary greatly among the counties. Over half of the schools in Prince George's County are performing better than the national norms, while fewer than 10% of the schools in Baltimore City can match this level of performance. The chances of a student attending a school characterized as performing adequately appear to be extremely slight in Baltimore City, about even (50-50) in Calvert and Prince George's, and very good in Montgomery County and Baltimore County. These disparities are enormous and clearly indicate that equality of education opportunity, as defined by actual education accomplishments of students, is not a characteristic of the present system of education in Maryland.

Education Accomplishment in Baltimore City

As was illustrated in Table 2, education in Baltimore City presents a special challenge to the State of Maryland. There is little education accomplishment to report: the education accomplishment of the elementary schools is at the 23rd

TABLE 2

COMPARISON OF EDUCATION ACCOMPLISHMENTS IN FIVE MARYLAND COUNTIES

County	N[1]	Grades Studied	% of Schools Below[2] National Norm in Reading	% of Schools Below[2] National Norm in Arithmetic
Montgomery	170	3,7,11	32	26
Baltimore	132	3,7,10	14	21
Calvert	12	3,(5),8	54	55
Pr.George's	196	(3),5,8,10	43	35
City	170	3,7,9	94	87

1 N = number of schools for which achievement data were collected

2 For Baltimore City and Prince George's County, schools were considered to be performing below the national norm if the average percentile score for a grade level in that school was less than .50
For Baltimore County, Calvert County, and Montgomery County, schools were considered to be performing below the national norm if more than 23% of the students in a grade level in that school scored below the 23rd percentile on the test.

percentile; education accomplishment at the junior high schools at the 28th percentile, education accomplishment at the high school level is at the 32nd percentile. These data mean that the average student in Baltimore City achieves at a level substantially below the national norm for his grade level. These data do not mean that no individual children are achieving above national norms; the data do indicate that the school system is failing most children and that the magnitude of failure is difficult to fully appreciate.

To examine the status of education in Baltimore City more closely, one may examine Table 3. For ease of interpretation, this table provides information about the elementary schools only. Similar information for junior high schools and high schools follows.

It is clear that the education resources of Baltimore City--at least those measured in gross terms such as the number of teachers with a masters degree in each school--are distributed with almost mathematical exactness through the city. It is equally clear that education accomplishment, while deplorably low in general, is lowest in schools with a high percentage of children from low income homes. Section II of Table 3 reveals that education accomplishment decreases as poverty increases.

It has been argued that the inequalities of educational opportunities within certain school systems is the result of systematic disparities in the allocation of resources and subsequent education services.[1] Data reported in Table 3 are not sufficient to invalidate this argument, but the data do not support the argument.[2] It appears that within the city the teacher assignment policies have resulted in a distribution of teachers that is equitable: the teachers in schools with a high percentage of students from low income families are equally as qualified as those in schools with few children from low income families.

In Baltimore City there appear to be two principal causes for continuing inequalities in education opportunities. First, the magnitude of the problem of education in an area characterized as high in "education overburden" and "municipal overburden", and the apparent failure of the State to intervene by departing from its traditional system of financing education. Second, the apparent inability of the city system to allocate its admittedly limited resources in a manner that recognizes the strong relationship between poverty and education failure.

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[1]In the landmark Hobson v. Hanson case, Federal Judge Skelly Wright ruled that per-pupil education expenditures were vastly unequal within the District of Columbia and required a program involving substantial teacher transfers to alleviate the disparities.

[2]Data available for this study of 5 counties do not include education expenditures for materials, supplies, pupil personnel services, or administrative services.

TABLE 3

READING AND ARITHMETIC ACHIEVEMENT SCORES, TEACHER CHARACTERISTICS AND STUDENT CHARACTERISTICS IN BALTIMORE CITY ELEMENTARY SCHOOLS

I. ARITHMETIC ACHIEVEMENT

Achievement Levels *	Poverty Level ** (Avg.)	Average Teacher Salary	Teachers with Masters degree	Teachers Without Certification	Teachers with less than 3 yrs experience	N
1 (Low)	41.3%	$ 9693	23 %	3.0 %	27 %	53
2	26.8%	$ 9568	22 %	4.0 %	30 %	32
3	18.7%	$ 9586	23 %	5.0 %	28 %	22
4 (High)	4.3%	$ 9639	23 %	7.0 %	30 %	38
						145 TOTAL

* Definition of Levels:
1: .01 - .11 average percentile
2: .12 - .18 average percentile
3: .19 - .25 average percentile
4: .26 + average percentile mean score = .24

** Percent children from low-income families residing in school area

II. READING ACHIEVEMENT

Achievement Levels *	Poverty Level ** (Avg)	Average Teacher Salary	Teachers with Masters degrees	Teachers without Certification	Teachers with less than 3 yrs experience	N
1 (Low)	35.0 %	$ 9621	21 %	2.0 %	27 %	40
2	37.3 %	$ 9663	22%	4.0 %	27 %	39
3	19.2 %	$ 9536	22%	5.0 %	31 %	32
4 (High)	4.4 %	$ 9693	23%	7.0 %	30 %	34
						145 TOTAL

* Definition of Levels:
1: .01 - .13 average percentile
2: .14 - .16 average percentile
3: .17 - .23 average percentile
4: .24 + average percentile mean score = .22

** Percent children from low income families residing in school area

READING AND ARITHMETIC ACHIEVEMENT SCORES, TEACHER CHARACTERISTICS AND STUDENT CHARACTERISTICS IN BALTIMORE CITY JUNIOR HIGH SCHOOLS

ARITHMETIC ACHIEVEMENT

Achievement Levels*	Poverty Level** (Avg.)	Average Teacher's Salary	Teachers with Masters Degree	Teachers with Less than 3 yrs. Experience	Teachers without Certificate	N
1 (Low)	39.3%	$10,163	28%	25%	0.0%	7
2	24.2%	$ 9,660	27%	41%	0.2%	5
3	3.7%	$ 9,721	29%	33%	1.0%	6
4 (High)	0.0%	$ 9,687	24%	33%	1.75%	4

22 TOTAL

*Definition of Levels:

1. .01 - .20 average percentile
2. .21 - .26 average percentile
3. .27 - .34 average percentile
4. .35 + average percentile

mean score = .27

**Percent children from low-income families residing in school area

READING ACHIEVEMENT

Achievement Levels*	Poverty Level** (Avg.)	Average Teacher's Salary	Teachers with Masters Degree	Teachers with Less than 3 Yrs. Experience	Teachers without Certificate	N
1 (Low)	43.3%	$10,030	30%	25%	0.0%	4
2	28.9%	$ 9,970	25%	33%	0.0%	7
3	6.0%	$ 9,631	27%	36%	1.6%	7
4 (High)	0.0%	$ 9,797	26%	33%	0.5%	4

21 TOTAL

*Definition of Levels:

1. .01 - .21 average percentile
2. .22 - .26 average percentile
3. .27 - .31 average percentile
4. .32 + average percentile

mean score = .28

**Percent children from low-income families residing in school area

READING AND ARITHMETIC ACHIEVEMENT SCORES, TEACHER CHARACTERISTICS AND STUDENT CHARACTERISTICS IN BALTIMORE CITY HIGH SCHOOLS

ARITHMETIC ACHIEVEMENT

Achievement Levels*	Poverty Level** (Avg.)	Average Teacher's Salary	Teachers with Masters Degree	Teachers with Less than 3 yrs. Experience	Teachers without Certificate	N
1 (Low)	43.5%	$10,318	25%	25%	0.5%	6
2	25.1%	$10,026	29%	32%	0.12%	8
3	14.9%	$11,174	30%	32%	0.75%	8
4 (High)	0.0%	$10,382	33%	27%	0.78%	9
						31 TOTAL

* Definition of Levels:

1. .01 - .12 average percentile
2. .13 - .24 average percentile
3. .25 - .30 average percentile — Mean score = .30
4. .31 + average percentile

**Percent children from low-income families residing in school area

READING ACHIEVEMENT

Achievement Levels*	Poverty Level** (Avg.)	Average Teacher's Salary	Teachers with Masters Degree	Teachers with Less than 3 yrs. Experience	Teachers without Certificate	N
1 (Low)	37.3%	$10,350	27%	26%	0.3%	9
2	25.2%	$ 8,755	27%	32%	0.25%	8
3	5.5%	$ 9,862	37%	25%	0.3%	8
4 (High)	0.0%	$10,520	37%	25%	0.3%	6
						31 TOTAL

*Definition of Levels:

1. .01 - .21 average percentile
2. .22 - .31 average percentile
3. .32 - .40 average percentile — Mean score = .32
4. .41 + average percentile

**Percent children from low-income families residing in school area

SECTION II - TABLE 3

BALTIMORE CITY ELEMENTARY SCHOOLS--ACHIEVEMENT AND STUDENT CHARACTERISTICS

Poverty Level *	Reading Achievement (Avg.)	Arith. Achievement (Avg.)	Average Teacher Salary	Teachers with Masters Degrees	Teachers without Certification	Teachers with less than 3 yrs experience	N
LOW	.30	.36	$9,336	23%	13%	28 %	64
MED.	.15	.15	$9,992	21%	3%	30 %	51
HIGH	.15	.13	$9.768	23%	2%	27 %	30
							145 TOTAL

* Definition of Levels

LOW: Schools that do not qualify for Title I project (i.e. their concentration of children from low-income families is less than the county average: 26.6%)

MED.: Schools that qualify for Title I but have less than 50% concentration of children from low-income families

HIGH: Schools that qualify for Title I and have greater than 50% concentration of children from low-income families

BALTIMORE CITY

Junior High Schools

Poverty Level*	Reading Achievement (Avg.)	Arith. Achievement (Avg.)	Average Teacher's Salary	Teachers with Masters Degree	Teachers with less than 3 yrs. Experience	Teachers without Certificate	N
LOW	.31	.31	$ 9,706	27%	33%	0.9%	12
MED.	.25	.25	$ 9,737	27%	38%	0.5%	6
HIGH	.20	.17	$10,406	26%	22%	0.0%	4

22 TOTAL

*Definition of Levels:

LOW: Schools that do not qualify for Title I project (i.e., their concentration of children from low-income families is less than the county average: 26.6%)

MED.: Schools that qualify for Title I but have less than 45% concentration of concentration of children from low-income families

HIGH: Schools that qualify for Title I and have greater than 45% concentration of children from low-income families

BALTIMORE CITY

High Schools

Poverty Level*	Reading Achievement (Avg.)	Arith. Achievement (Avg.)	Average Teacher's Salary	Teachers with Masters Degree	Teachers with less than 3 yrs. Experience	Teachers without Certificate	N
LOW	.41	.37	$10,077	31%	30%	0.7%	16
MED.	.22	.16	$10,211	30%	31%	0.3%	10
HIGH	.19	.14	$10,327	24%	24%	0.6%	5

31 TOTAL

*Definition of Levels:

LOW: Schools that do not qualify for Title I project (i.e., their concentration of children from low-income families is less than the county average: 26.6%)

MED.: Schools that qualify for Title I but have less than 45% concentration of children from low-income families

HIGH: Schools that qualify for Title I and have greater than 45% concentration of children from low-income families

Education Accomplishment in Prince George's County

Achievement data for the elementary schools in Prince George's County are presented in Table 4. In contrast with Baltimore City, nearly half of the schools in Prince George's County report student accomplishment at or above national norms.

As in Baltimore City, few disparities are apparent in the allocation of professional personnel among schools in the county (i.e., when schools are grouped according to achievement and number of low income children, it appears that they benefit from equally professional teachers). In marked contrast to Baltimore City, however, is the observation that the number of students from low income families is not an equally good predictor of education accomplishment of a school in Prince George's County. As resources are distributed equitably, an explanation is in order. Such an explanation would be facilitated if the State had developed an information system which permitted it to examine the inputs (including student characteristics, teacher and material resources) and outcomes (student achievement) in each school. Such information would permit informed speculation about the phenomena reported here, as well as improved management of the education system. Apart from an effective information system one can only speculate that the relatively low incidence of children from low income families in Prince George's County accounts for the independent relationship between achievement and the number of low income children in the school.

Education Accomplishment in Montgomery County

A few schools in Baltimore City, and about half of the schools in Prince George's County provide an education program that results in their students achieving at or above national norms. In Montgomery County about 80% of the schools may be characterized as achieving schools, and less than 20% as low achieving schools. At no grade level or subject matter tested were more than 20% of the schools characterized as low achieving. Stated positively, the education program provided in Montgomery County appears to be successful in eighty-five% of the schools.

Salaries are about $1,000 higher in Montgomery County and there are many teachers with masters degrees. However, the average teacher salary does not vary systematically with the achievement of children within a school. Nor does there appear to be any significant disparity in the allocation of new teachers or teachers without full certification.

In Montgomery County, as in Baltimore City, education accomplishment seems to be associated with the number of children from low income families in the school. Even where the percentage of low income children is very low, "high poverty" schools are associated with low achievement. Examination of junior high and high school achievement and elementary achievement (Table5) as related to poverty level suggests the conclusion that it is only those schools in Montgomery County which have a sizeable percentage of children from low income families that are characterized as low achievement schools.

TABLE 4

READING AND ARITHMETIC SCORES, TEACHER'S CHARACTERISTICS AND STUDENT CHARACTERISTICS IN PRINCE GEORGE'S COUNTY ELEMENTARY SCHOOLS

I. ARITHMETIC ACHIEVEMENT

Achievement Levels *	Poverty Level ** (Avg.)	Average Teacher Salary	Teachers w/Masters degree	Teachers without Certification	Teachers with less than 3 yrs experience	N
1 (Low)	6.9%	$9,467	14%	5.0%	33%	39
2	7.2%	$9,257	13%	0.0%	39%	42
3	5.6%	$9,308	15%	0.1%	40%	35
4 (High)	3.8%	$9,322	13%	0.0%	40%	36
						152 TOTAL

* Definition of Levels:
1: .01 - .41 average percentile
2: .42 - .54 average percentile
3: .55 - .50 average percentile
4: .60 + average percentile average score = .56

** Percent children from low-income families residing in school area

II. READING ACHIEVEMENT

Achievement Levels *	Poverty Level ** (Avg.)	Average Teacher Salary	Teachers w/Masters Degree	Teachers without Certification	Teachers with less than 3 yrs experience	N
1 (Low)	5.13%	$9,475	14%	0.4%	30%	30
2	10.4%	$9.375	14%	0.1%	38%	31
3	3.4%	$9,379	15%	0.0%	39%	34
4 (High)	6.0%	$9,326	14%	0.2%	40%	26
						121 TOTAL

* Definition of Levels:
1: .01 - .40 average percentile
2: .41 - .47 average percentile
3: .48 - .56 average percentile
4: .57 + average percentile average score = .39

** Percent children from low-income families residing in school area

READING AND ARITHMETIC ACHIEVEMENT SCORES, TEACHER CHARACTERISTICS AND STUDENT CHARACTERISTISTICS IN PRINCE GEORGE'S COUNTY JUNIOR HIGH SCHOOLS

ARITHMETIC ACHIEVEMENT

Achievement Levels*	Poverty Level** (Avg.)	Average Teacher's Salary	Teachers with Masters Degree	Teachers with Less than 3 yrs. Experience	Teachers without Certificate	N
1	0.9%	$ 9,583	20%	39%	0.0%	8
2	3.7%	$ 9,571	17%	42%	0.0%	7
3	3.0%	$ 9,399	15%	43%	0.0%	10
4 (High)	4.7%	$ 9,573	19%	33%	0.0%	8
						33 TOTAL

* Definition of Levels:

1. .01 - .40 average percentile
2. .41 - .50 average percentile
3. .51 - .58 average percentile — Average score = .50
4. .59 + average percentile

**Percent children from low-income families residing in school area

READING ACHIEVEMENT

Achievement Levels*	Poverty Level** (Avg.)	Average Teacher's Salary	Teachers with Masters Degree	Teachers with Less than 3 yrs. Experience	Teachers without Certificate	N
						6
1 (Low)	0.0%	$ 9,944	23%	41%	0.0%	6
2	6.1%	$ 9,572	21%	39%	0.0%	7
3	5.7%	$ 9,321	13%	42%	0.0%	7
4 (High)	1.4%	$ 9,500	17%	38%	0.0%	13
						33 TOTAL

*Definition of Levels:

1. .01 - .37 average percentile
2. .38 - .42 average percentile
3. .43 - .47 average percentile — Average score = .46
4. .48 + average percentile

**Percent children from low-income families residing in school area

READING ACHIEVEMENT SCORES, TEACHER CHARACTERISTICS AND STUDENT CHARACTERISTICS IN PRINCE GEORGE'S COUNTY HIGH SCHOOLS

READING ACHIEVEMENT ***

Achievement Levels*	Poverty Level** (Avg.)	Average Teachers Salary	Teachers with Masters Degree	Teachers with Less than 3 yrs. Experience	Teachers without Certificate	N
1 (Low)	0.0%	$ 9,477	22%	42%	0%	5
2	0.0%	$ 9,621	26%	38%	0%	4
3	7.0%	$10,464	38%	25%	0%	2
4 (High)	1.7%	$10,657	32%	28%	0%	4

15 TOTAL

*Definition of Levels:

1. .01 - .56 average percentile
2. .57 - .70 average percentile
3. .71 - .72 average percentile
4. .73 + average percentile

Average score = .64

**Percent children from low-income families residing in school area

***No Arithmetic Achievement Scores available

SECTION II - TABLE 4

PRINCE GEORGE'S COUNTY ELEMENTARY SCHOOLS ACHIEVEMENT AND STUDENT CHARACTERISTICS

Poverty Level *	Reading Achievement (Avg.)	Arith. Achievement (Avg.)	Average Teacher Salary	Teachers with Masters Degree	Teachers without Certification	Teachers with less than 3 yrs Experience	N
LOW	.39	.51	$9,271	15%	0.1%	39%	110
MED	.39	.46	$9,590	13%	0.5%	38%	18
HIGH	.40	.48	$9,460	15%	0.1%	36%	20

148 TOTAL

* Definition of Levels:

LOW: Schools that do not qualify for Title I project (i.e. their concentration of children from low-income families is less than the county average: 9.0%)

MED.: Schools that qualify for Title I but have less than 19% concentration of children from low-income families

HIGH: Schools that qualify for Title I and have greater than 19% concentration of children from low-income families

PRINCE GEORGE'S COUNTY

Junior High Schools

Poverty Level*	Reading Achievement (Avg.)	Arith. Achievement (Avg.)	Average Teacher's Salary	Teachers with Masters Degree	Teachers with less than 3 yrs. Experience	Teachers without Certificate	N
LOW	.46	.50	$9,152	19%	39%	0%	26
HIGH	.45	.51	$9,555	16%	38%	0%	7
							33 TOTAL

*Definition of Levels:

LOW: Schools that do not qualify for Title I project (i.e., their concentration of children from low-income families is less than the county average: 9.0%

HIGH: Schools that qualify for Title I and have greater than 1% concentration of children from low-income families.

TABLE 5

READING AND ARITHMETIC SCORES, TEACHER CHARACTERISTICS AND STUDENT CHARACTERISTICS IN MONTGOMERY COUNTY ELEMENTARY SCHOOLS

I. ARITHMETIC ACHIEVEMENT

ACHIEVEMENT LEVELS*	POVERTY LEVEL** (Avg.)	AVERAGE TEACHER'S SALARY	TEACHERS WITH MASTERS DEGREE	TEACHERS WITHOUT CERTIFICATE	TEACHERS WITH LESS THAN 3YRS. EXPERIENCE	N
1 (Low)	10.3%	$10,547	30%	0.0%	29%	28
2	2.5%	$10,270	33%	0.0%	30%	30
3	3.2%	$10,846	33%	0.0%	35%	35
4 (High)	0.6%	$11,041	29%	0.09%	35%	33

*DEFINITION OF LEVELS:

1. 27%+scored below .23
2. 16-26% scored below .23
3. 8-15% scored below .23
4. 0-7% scored below .23

**Percent children from low-income families residing in school area

Average % scoring below .23 = 17%

II. READING ACHIEVEMENT

ACHIEVEMENT LEVELS*	POVERTY LEVEL** (Avg.)	AVERAGE TEACHER'S SALARY	TEACHERS WITH MASTERS DEGREE	TEACHERS WITHOUT CERTIFICATE	TEACHERS WITH LESS THAN 3 YRS. EXPERIENCE	N
1 (low)	3.8%	$10,398	31%	0.0%	29%	33
2	1.6%	$10,629	30%	0.0%	31%	32
3	0.6%	$10,771	35%	0.02%	33%	33
4 (High)	0.0%	$11,154	27%	0.0%	37%	26

*DEFINITION OF LEVELS:

1. 26%+ scored below .23
2. 16-25% scored below .23
3. 10-15% scored below .23
4. 0-9% scored below .23

**Percent children from low-income families residing in school area

Average % scoring below .23 = 19%

Reading and Arithmetic Achievement Scores, Teacher Characteristics and Student Characteristics in Montgomery County Junior High Schools

ARITHMETIC ACHIEVEMENT

Achievement Levels*	Poverty Level** (Avg.)	Average Teacher's Salary	Teachers with Masters Degree	Teachers with Less than 3 yrs. Experience	Teachers without Certificate	N
1 (Low)	6.7%	$ 9,562	34%	32%	0.0%	7
2	3.3%	$10,752	39%	33%	0.0%	7
3	0.0%	$11,027	39%	30%	0.0%	5
4 (High)	1.5%	$10,876	38%	30%	0.0%	8
						27 TOTAL

*Definition of Levels:

1. 30 - 46% scored below .23
2. 21 - 29 % scored below .23
3. 10 - 20% scored below .23
4. 0 - 9% scored below .23

Average % scoring below .23 = 20%

**Percent children from low-income families residing in school area

READING ACHIEVEMENT

Achievement Levels*	Poverty Level** (Avg.)	Average Teacher's Salary	Teachers with Masters Degree	Teachers with Less than 3 yrs. Experience	Teachers without Certificate	N
1 (Low)	6.7%	$ 8,273	22%	25%	0.0%	7
2	4.7%	$10,544	43%	31%	0.0%	5
3	1.5%	$11,078	37%	31%	0.0%	8
4 (High)	0.0%	$ 9,235	33%	25%	0.0%	7
						27 TOTAL

*Definition of Levels:

1. 26% + scored below .23
2. 12-25% scored below .23
3. 9-16% scored below .23
4. 0-8% scored below .23

Average % scoring below .23 = 17%

**Percent children from low-income families residing in school area

READING AND ARITHMETIC AHCIEVEMENT SCORES, TEACHER CHARACTERISTICS AND STUDENT CHARACTERISTICS IN MONTGOMERY COUNTY HIGH SCHOOLS

ARITHMETIC ACHIEVEMENT

Achievement Levels*	Poverty Level** (Avg.)	Average Teacher's Salary	Teachers with Masters Degree	Teachers with Less than 3 yrs. Experience	Teachers without Certificate	N
1 (Low)	11.7%	$12,070	31%	37%	0.0%	2
2	3.9%	$11,276	34%	29%	0.0%	3
3	0.0%	$12,979	19%	48%	0.0%	6
4 (High)	5.8%	$12,320	25%	42%	0.0%	6

*Definition of Levels:

17 TOTAL

1. 39 - 71% scored below .23
2. 18 - 38% scored below .23
3. 10 - 17% scored below .23
4. 0 - 9% scored below .23

Average % scoring below .23 = 15%

**Percent children from low-income families residing in school area

READING ACHIEVEMENT

Achievement Levels*	Poverty Level** (Avg.)	Average Teacher's Salary	Teachers with Masters Degree	Teachers with Less than 3 yrs. Experience	Teachers without Certificate	N
1 (Low)	11.7%	$12,469	24%	39%	0%	4
2	2.9%	$12,517	24%	43%	0%	4
3	0.0%	$12,215	26%	45%	0%	4
4 (High)	0.0%	$12,195	26%	39%	0%	5

17 TOTAL

*Definition of Levels:

1. 20% + scored below .23
2. 15 - 19% scored below .23
3. 10 - 14% scored below .23
4. 0 - 9% scored below .23

Average % scoring below .23 = 18%

**Percent children from low-income families residing in school area

SECTION II - TABLE 5

MONTGOMERY COUNTY ELEMENTARY SCHOOLS ACHIEVEMENT AND STUDENT CHARACTERISTICS

POVERTY LEVEL*	READING ACHIEVE-MENT (Avg.)	ARITH. ACHIEVE-MENT (Avg.)	AVERAGE TEACHER'S SALARY	TEACHERS WITH MASTERS DEGREE	TEACHERS WITHOUT CERTIFI-CATE	TEACHERS WITH LESS THAN 3 YRS EXPERIENCE	N
LOW	under 15% .23	under 13% .23	$10,906	31%	0.03%	34%	96
MED.	under 25% .23	under 22% .23	$10,892	32%	0.4%	31%	13
HIGH	under 36% .23	under 37% .23	$10,551	33%	0.0%	30%	15

124 TOTAL

*DEFINITION OF LEVELS:

LOW: Schools that do not qualify for Title I project (i.e., their concentration of children from low-income families is less than the county average: 1.5%)

MED.: Schools that qualify for Title I but have less than 10% concentration of children from low-income families

HIGH: Schools that qualify for Title I and have greater than 10% concentration of children from low-income families

MONTGOMERY COUNTY

Junior High Schools

Poverty Level*	Reading Achievement (Avg.)	Arith. Achievement (Avg.)	Average Teacher's Salary	Teachers with Masters Degree	Teachers with less than 3 yrs Experience	Teachers without Certificate	N
LOW	under 13% .23	under 15% .23	$10,872	40%	30%	0%	17
HIGH	under 24% .23	under 28% .23	$11,297	32%	30%	0%	7
							24 TOTAL

*Definition of Levels:

LOW: Schools that do not qualify for Title I project (i.e., their concentration of children from low-income families is less than the county average: 1.5%)

HIGH: Schools that qualify for Title I and have greater than 1% concentration of children from low-income families

MONTGOMERY COUNTY

High Schools

Poverty Level*	Reading Achievement (Avg.)	Arith. Achievement (Avg.)	Average Teacher's Salary	Teachers with Masters Degree	Teachers with less than 3 yrs. Experience	Teachers without Certificate	N
LOW	13% under .23	11% under .23	$12,232	26%	42%	0%	12
HIGH	30% under .23	24% under .23	$12,595	23%	40%	0%	5

17 TOTAL

*Definition of Levels:

LOW: Schools that do not qualify for Title I project (i.e., their concentration of children from low-income families is less than the county average: 1.5%)

HIGH: Schools that qualify for Title I and have greater than 1% concentration of children from low-income families.

Education Accomplishment in Baltimore County

Baltimore County has the smallest percentage of low achieving schools in our five-county study. Examination of Table 6 reveals that the quartile divisions are very low--so that "low achievement" schools in Baltimore County would be in the high achievement category in Baltimore City.

As is the case in each county studied, there is little disparity in the allocation of quality teachers among the schools to explain their low or high achievement. Also, it appears that achievement within schools in Baltimore County is universally high except in those schools with a high poverty level.

The example of Baltimore and Montgomery Counties is further evidence of the positive relationship of wealth, expenditures, and education opportunities discussed earlier in this section. Both counties provide relatively superior, relatively expensive education programs which are not available to less fortunate counties.

Education Accomplishment in Calvert County

Calvert County presents a special challenge to the State of Maryland. It is a poor county and cannot afford a competitive salary schedule or expensive program of education services. Overall, the education accomplishments of the public schools of Calvert County is unimpressive: half of the elementary schools are those we have characterized as "low achievement" schools.

The most interesting, and most troubling statistic, is that the eight clementary schools may be divided into two groups: those in which achievement is fairly high (fewer than eight% of the students scoring below the 23rd percentile) and those of low achievement (more than thirty% scoring below the 23rd percentile). Calvert is a poor county and apparently has little opportunity to provide additional resources to those schools in which they are clearly demanded. Educators may well be able to suggest programs which would increase the opportunities of children to achieve in every school in the county, but given the limited resources of Calvert County, such programs, if they involve additional dollars, are largely of academic interest.

As is the case with each of the counties studied, Calvert County treats each school equally. It allocates teachers and other resources in an equitable manner across the system and may only be faulted for not intervening dramatically in those schools where achievement is markedly low. In this regard, Calvert County has clearly followed the leadership of the State and other counties. The fiscal formulas proposed and sanctioned by the State, combined with the absence of an adequate information or quality control system, insures that schools within a county will be treated as equals. Unfortunately, when one examines education accomplishment in the schools of a county, it is clear that some schools are much more equal than others.

TABLE 6

READING AND ARITHMETIC ACHIEVEMENT SCORES, TEACHER CHARACTERISTICS AND STUDENT CHARACTERISTICS IN BALTIMORE COUNTY ELEMENTARY SCHOOLS

I. ARITHMETIC ACHIEVEMENT

ACHIEVE-MENT LEVELS*	POVERTY LEVEL** (Avg.)	AVERAGE TEACHER'S SALARY	TEACHERS WITH MASTERS DEGREE	TEACHERS WITHOUT CERTIFICATE	TEACHERS WITH LESS THAN 3 YRS. EXPERIENCE	N
1 (Low)	6.6%	$8804	30%	0.2%	20%	25
2	2.01%	$9305	30%	0.8%	21%	22
3	4.8%	$8803	39%	0.2%	20%	19
4 (High)	6.5%	$9219	33%	0.0%	24%	30

*DEFINITION OF LEVELS:

1. 21%+ scored below .23
2. 14-20% scored below .23
3. 8-13% scored below .23
4. 0-7% scored below .23

**Percent children from low-income families residing in school area

Average % scoring below .23 = 14%

II. READING ACHIEVEMENT

ACHIEVE-MENT LEVELS*	POVERTY LEVEL** (Avg.)	AVERAGE TEACHER'S SALARY	TEACHERS WITH MASTERS DEGREE	TEACHERS WITHOUT CERTIFICATE	TEACHERS WITH LESS THAN 3 YRS. EXPERIENCE	N
1 (Low)	8.9%	$8934	32%	1.4%	21%	19
2	2.4%	$9142	32%	0.9%	19%	20
3	3.7	$8946	35%	0.4%	20%	20
4 (High)	0.8%	$9208	33%	0.0%	24%	37

*DEFINITION OF LEVELS:

1. 21%+ scored below .23
2. 14-20% scored below .23
3. 10-13% scored below .23
4. 1-9% scored below .23

**Percent children from low-income families residing in school area

Average % scoring below .23 = 13%

READING AND ARITHMETIC ACHIEVEMENT SCORES, TEACHER CHARACTERISTICS AND STUDENT CHARACTERISTICS IN BALTIMORE COUNTY JUNIOR HIGH SCHOOLS

ARITHMETIC ACHIEVEMENT

ACHIEVEMENT LEVELS*	POVERTY LEVEL** (avg.)	AVERAGE TEACHER'S SALARY	TEACHERS WITH MASTERS DEGREE	TEACHERS WITH LESS THAN 3 YRS. EXPER.	TEACHERS WITHOUT CERTIFICATES	N
1 (low)	9.5%	$ 9,711	40%	26%	0.0%	4
2	2.2%	9,765	36%	26%	0.0%	5
3	0.0%	9,898	37%	30%	0.0%	5
4 (high)	0.0%	10,160	31%	34%	0.0%	6

* DEFINITION OF LEVELS:

1. 21% + scored below .23
2. 17-20% scored below .23
3. 9-16% scored below .23
4. 0-8% scored below .23

**Percent children from low-income families residing in school area

20 TOTAL

Average % scoring below .23 + 13%

READING ACHIEVEMENT

ACHIEVEMENT LEVELS*	POVERTY LEVEL** (avg.)	AVERAGE TEACHER'S SALARY	TEACHERS WITH MASTERS DEGREE	TEACHERS WITH LESS THAN 3 YRS. EXPER.	TEACHERS WITHOUT CERTIFICATES	N
1 (low)	9.8%	9,174	38%	25%	0.0%	5
2	0.0%	9,541	41%	27%	0.0%	4
3	0.0%	10,358	28%	33%	0.0%	5
4 (high)	0.0%	9,932	36%	31%	0.0%	6

* DEFINITION OF LEVELS:

1. 20% + scored below .23
2. 11-19% scored below .23
3. 5-10% scored below .23
4. 0-4% scored below .23

**Percent children from low-income families residing in school area

20 TOTAL

Average % scoring below .23 + 11%

READING AND ARITHMETIC ACHIEVEMENT SCORES, TEACHER CHARACTERISTICS AND STUDENT CHARACTERISTICS IN BALTIMORE COUNTY HIGH SCHOOLS

ARITHMETIC ACHIEVEMENT

Achievement Levels*	Poverty Level** (Avg.)	Average Teacher's Salary	Teachers with Masters Degree	Teachers with Less than 3 yrs. Experience	Teachers without Certificate	N
1 (Low)	6.0%	$10,133	30%	36%	0.0%	3
2	4.5%	$11,012	26%	36%	0.0%	4
3	0.0%	$10,640	28%	40%	0.0%	5
4 (High)	2.0%	$10,233	29%	37%	0.0%	4

16 TOTAL

*Definition of Levels:

1. 25% + scored below .23
2. 19 - 24% scored below .23
3. 14 - 18 % scored below .23
4. 0 - 13% scored below .23

Average % scoring below .23 = 19%

**Percent children from low-income families residing in school area

READING ACHIEVEMENT

Achievement Levels*	Poverty Level** (Avg.)	Average Teacher's Salary	Teachers with Masters Degree	Teachers with Less than 3 yrs. Experience	Teachers without Certificate	N
1 (Low)	9.7%	$ 9,971	34%	35%	0.0%	3
2	1.6%	$11,024	23%	39%	0.0%	5
3	2.0%	$10,186	34%	36%	0.0%	4
4 (High)	0.0%	$10,701	25%	39%	0.0%	4

16 TOTAL

*Definition of Levels:

1. 23% + scored below .23
2. 17 - 22% scored below .23
3. 12 - 16% scored below .23
4. 0 - 11% scored below .23

Average % scoring below .23 = 18%

**Percent children from low-income families residing in school area

SECTION II - TABLE 6

BALTIMORE COUNTY ELEMENTARY SCHOOLS ACHIEVEMENT AND STUDENT CHARACTERISTICS

POVERTY LEVEL*	READING ACHIEVE-MENT (Avg.)	ARITH. ACHIEVE-MENT (Avg.)	AVERAGE TEACHER'S SALARY	TEACHERS WITH MASTERS DEGREE	TEACHERS WITHOUT CERTIFICATE	TEACHERS WITH LESS THAN 3 YRS EXPERIENCE	N
LOW	under 8% .23	under 9% .23	$9173	34%	0.3%	23%	58
MED	under 16% .23	under 22% .23	$8920	34%	0.5%	20%	25
HIGH	under 22% .23	under 22% .23	$8806	32%	0.0%	15%	14

*DEFINITION OF LEVELS:

LOW: Schools that do not qualify for Title I project (i.e., their concentration of children from low-income families is less than the county average: 3.0%)

MED.: Schools that qualify for Title I but have less than 10% concentration of children from low-income families.

HIGH: Schools that qualify for Title I and have greater than 10% concentration of children from low-income families.

BALTIMORE COUNTY

Junior High Schools

Poverty Level*	Reading Achievement (Avg.)	Arith. Achievement (Avg.)	Average Teacher's Salary	Teachers with Masters Degree	Teachers with less than 3 yrs. Experience	Teachers without Certificate	N
LOW	8% under .23	11% under .23	$ 9,901	35%	31%	0%	15
HIGH	22% under .23	24% under .23	$ 9,714	38%	25%	0%	4
							20 TOTAL

*Definition of Levels:

LOW: Schools that do not qualify for Title I project (i.e., their concentration of children from low-income families is less than the county average: 3.0%)

HIGH: Schools that qualify for Title I and have greater than 1% concentration of children from low-income families.

BALTIMORE COUNTY

High Schools

Poverty Level*	Reading Achievement (Avg.)	Arith. Achievement (Avg.)	Average Teacher's Salary	Teachers with Masters Degree	Teachers with less than 3 yrs. Experience	Teachers without Certificate	N
LOW	14% under .23	17% under .23	$10,898	24%	40%	0%	11
HIGH	25% under .23	27% under .23	$ 9,741	37%	32%	0%	5

16 TOTAL

*Definition of Levels:

LOW: Schools that do not qualify for Title I project (i.e., their concentration of children from low-income families is less than the county average: 3.0%)

HIGH: Schools that qualify for Title I and have greater than 1% concentration of children from low-income families.

TABLE 7

READING AND ARITHMETIC ACHIEVEMENT SCORES, TEACHER CHARACTERISTICS AND STUDENT CHARACTERISTICS IN CALVERT ELEMENTARY SCHOOLS

I. ARITHMETIC ACHIEVEMENT

ACHIEVEMENT LEVELS*	POVERTY LEVEL** (Avg.)	AVERAGE TEACHER'S SALARY	TEACHERS WITH MASTERS DEGREE	TEACHERS WITHOUT CERTIFICATE	TEACHERS WITH LESS THAN 3 YRS. EXPERIENCE	N
1 (Low)	19.2%	$8570	27.8%	0%	10%	2
2	50.4%	$8589	22.0%	0%	4%	2
3	0.0%	$8323	33.3%	0%	0%	1
4 (High)	16.3%	$9414	15.0%	0%	10%	2

* DEFINITION OF LEVELS:

1. 37%+ scored below .23
2. 11-13% scored below .23
3. 1-10% scored below .23
4. 0% scored below .23

**Percent children from low-income families residing in school area

***This data is for grade 3 only. Data was collected in two schools for grade 5. There is only one junior high school in Calvert County in which data was collected

Average % scoring below .23 = 15%

II. READING ACHIEVEMENT

ACHIEVEMENT LEVELS*	POVERTY LEVEL** (Avg.)	AVERAGE TEACHER'S SALARY	TEACHERS WITH MASTERS DEGREE	TEACHERS WITHOUT CERTIFICATE	TEACHERS WITH LESS THAN 3YRS. EXPERIENCE	N
1 (Low)	0.0%	$8466	10%	0.0%	20%	1
2	36.4%	$8669	30%	2.5%	5.3%	3
3	17.6%	$8658	28%	0.0%	7%	3
4 (High)	32.6%	$9640	0%	0.0%	0%	1

*DEFINITION OF LEVELS:

1. 54%+ scored below .23
2. 30-33% scored below .23
3. 5-9% scored below .23
4. 0% scored below .23

**Percent children from low-income families residing in school area

***This data is for grade 3 only. Data was collected in 2 schools for grade 5. There is only one junior high school in Calvert County in which data was collected.

Average % scoring below .23 = 21%

SECTION II - TABLE 7

CALVERT COUNTY ELEMENTARY SCHOOLS ACHIEVEMENT AND STUDENT CHARACTERISTICS

POVERTY LEVEL*	READING ACHIEVE-MENT (Avg.)	ARITH ACHIEVE-MENT (Avg.)	AVERAGE TEACHERS SALARY	TEACHERS WITH MASTERS DEGREE	TEACHERS WITHOUT CERTIFICATE	TEACHERS WITH LESS THAN 3 YRS. EXPERIENCE	N
LOW	under 23% .23	under 14% .23	$8659	24%	0.0%	13%	3
HIGH	under 20% .23	under 12% .23	$8842	22%	1.4%	3%	5

* DEFINITION OF LEVELS

LOW: Schools that do not qualify for Title I project (i.e., their concentration of children from low-income families is less than the county average: 35.9%)

HIGH: Schools that qualify for Title I and have greater than 1% concentration of children from low-income families

CONCLUSION

In the preceding section an attempt was made to offer a status report on education in Maryland at the present time. Few will be sanguine about the major conclusion of the review. It is possible to wish for more data, to wish that more of the questions raised in this report might be considered definitively. It is not possible to ignore several distressing characteristics of the present system, however.

It is clear that the present system of financing public education is a wealth-based system that results in substantial disparities in education expenditures among the counties. A poor county that taxes itself at the same rates as a wealthy county is unable to provide the same education expenditures for its children.

It is clear that the amount of money expended on education determines the amount and quality of education services provided, and that education services--professional staff, materials, supplementary services--do affect the education accomplishment of school children in Maryland.

It is clear that there are enormous disparities in the education accomplishments of children in Maryland schools. One must wonder if it makes sense to refer to "a system of common schools" when in one county almost all schools are successful and in another almost all schools fail to provide very modest education accomplishments to their students.

It appears that provision of equal education opportunities requires an equity-plus program of resource allocation. In four of the five counties examined here, including the two wealthiest counties in the State, the best predictor of the degree of low achievement of students in a school is the percentage of children from low income families in the school. Poverty is a better predictor than the experience of teachers, advanced preparation, certification, or average salary of teachers in the school.

The State of Maryland has two difficult and urgent tasks. The first is to develop a system of financing education that will reduce the substantial disparities of expenditures for education among the counties. This goal must be accomplished, not by reducing the expenditures of the wealthy counties, but by enabling the less wealthy counties to provide education programs of equally high quality.

The second task is equally important. The State may not in good conscience continue to allocate resources as though each school within the state were identical to every other school in the State. In the examination presented above, it was clear that the present system results in two types of inequalities:

1. some entire systems must be described as failing;

2. within each of the five counties studied it is possible to identify schools that are failing. The children attending these schools, and living in these counties, have neither statistical nor real equality of opportunity. It was observed that the State presently lacks both a fiscal system that can be responsive to this obvious problem and an information system that permits it to identify these and similar inequities.

APPENDIX B

MARYLAND SCHOOL ENROLLMENT 1971 - 1980

George B. Kleindorfer, Michelle B. Fortin, Paul M. Goldfinger, Stephen M. Rhoads

A REPORT PREPARED FOR THE CITIZENS COMMISSION ON MARYLAND GOVERNMENT OCTOBER, 1971

I. ENROLLMENT FORECASTS

In order to properly understand and interpret the meaning of the Maryland enrollment forecasts it is necessary to discuss briefly the nature of the model we used to obtain them.

The Student Flow Model is a general mathematical device which abstractly views the flow of people in a system as a movement through a series of stations or cells. Associated with each station are a set of rates which describe the admission of people into the station from the population outside the system and the transfer of people into the station from other stations within the system. Additionally, if needed in a particular analysis, the model allows capacity limits to be put on any station so that if the number of people who would normally enter the station exceeds that capacity, then the excess are transferred automatically to another designated station. When applied to enrollment forecasting, the stations of the model might be, for example, grades or groups of grades in the school system. The capacities find use in representing school enrollment limitations. These ideas will be explained more concretely in the sample analyses below.

For our Maryland enrollment forecasts we have divided schools in any given county into Public, Catholic and Non-Catholic Private schools. Each of these three systems is considered to be graded from kindergarten to the twelfth grade. We did not include pre-kindergarten in our forecasts. Using enrollments and numbers of graduates for the school years 1968-69 and 1969-70, we estimated rates of admission into each of these school systems, and rates of promotion, repetition, and transfer within and between school systems. Finally, using the same data, we estimated dropout and graduation rates from each system. These rates constitute a picture of the movement of people into and among the various stations of the model for the above mentioned school years. In what follows, we will call these rates the base rates.

Once base year rates are obtained, many different kind of "simulations" or "experiments" can be undertaken with the model. The admission rates may be used together with population forecasts in order to estimate future new admissions. Then, promotion, transfer, and repetition rates may be used to estimate the number of students at various levels. In any given simulation these rates may be changed or capacity limitations may be imposed in order to depict possible future situations which affect school system enrollment.

Since our model requires population forecasts, and since county population forecasts based on the last census are not yet available for Maryland we had to construct county population forecasts.[1] For the year 1970 we used the county-by-county figures from the 1970 Census of Population, Advance Report. For the year 1980 we adjusted the 1960 census based population forecast using error factors derived from the 1970 census. If the forecast for a given county for 1970

[1]The adjustments we used to obtain our county population forecasts were arrived at in conversations with the Maryland Department of State Planning.

(based on the 1960 census) was high then we adjusted all age groups in the 1960 census based forecast for 1980 down by the percent error. On the other hand, if the 1960 census based forecast for 1970 was low we made no adjustment in the 1980 forecast. Exceptions in this last rule were made for Montgomery and Prince George's Counties. We adjusted the 1980 figures upward by 2% for Montgomery County and 3% for Prince George's County. Having the population figures for 1960, 1970, and 1980 for various lumped age groups, we obtained figures for intermediate age groups and years by interpolation. It is important to keep in mind that the overall accuracy of our enrollment forecasts depends directly on the accuracy of these population projections.

We performed three simulations from each of the counties. These analyses attempted to assess the effects of varying Catholic school enrollments on the enrollments in public and non-Catholic private schools. We will label these simulations here in the same way that they are labeled in tables.

Run One: Extrapolation of 1969-70 Rates

This simulation consisted of operating the model using the estimated base rates with no changes.

Run Two: 1971-80, Catholic Schools, Grades K-8 Closed, High Schools Reduced by 50%

In order to obtain enrollment forecasts which provide a benchmark on the high side for Public schools, we repeated run one except that we caused the capacity of the Catholic schools to decrease in even increments from 1971 to 1980 so that in 1980 Catholic elementary schools (K-8) were assumed closed and Catholic high schools (9-12) were assumed to be reduced to 50% of their 1969 level. The model assigned "excess students" (over these capacities) to the corresponding grades in Public schools.

Run Three: 5 % Growth in Non-Public Enrollments for Years 1971-75, Constant after 1975.

Here we programmed the model to simulate linear increases of five % a year in non-public enrollments for five years starting in 1971. For 1976 through 1980 the non-public enrollments were held constant at the 1975 level. The base year rates were assumed to hold for the students remaining in the Public schools.

It was thought that these enrollments would provide a low benchmark for public schools since the five % increase in non-public enrollments per year would be made by drawing students from public school enrollments.

As has already probably become apparant, our purpose in providing these three separate forecasts for each county is to give two outer boundaries on future enrollments (Runs Two and Three) as well as a less extreme forecast between the

boundaries which should represent a more reasonable forecast than the other two. In this way, using these forecasts, the effects of enrollments on expenditure projections can be gauged, and a safety margin due to enrollment forecast errors established. A further benefit which accrues from these separate runs is, of course, that they provide an estimation of the effects in public schools of enrollment fluctuations in non-public schools.

In a separate appendix to this report we have given the results of the simulations we have just described. Public enrollment projections are presented for each county. Non-public enrollment, drop-out, and graduation projections are given by subregion.

As a sample for discussion let us consider Montgomery County. On the first two pages of computer output the year by year and age by age population projections that we used for this county are given. The table starts with 1970 (year = 0) and ends with 1980 (year = 10). One important factor for our enrollment forecasts is the trend in the population of five and six year olds since this is the population we draw from for new admissions. In 1970 the population of five year olds is 10306. This number decreases to 9167 in 1974 and then rises to 10190 in 1980. Similar fluctuations can be seen in other age groups. Part of the reason for these variations is inward and outward migration for which adjustments are made in the enrollment model.

Following the population tables are computer print-outs containing the enrollment, drop-out, and graduation forecasts for Montgomery County. In all of the runs the public school enrollments in 1980 is lower than that of 1970. This fall can be attributed to decreases in population. In the third run this drop is further accentuated by the increasing enrollments in Catholic, and Non-Catholic private enrollments. In the first two runs the non-Catholic private school projected enrollments are increasing but the projected Catholic enrollments are decreasing in larger increments so that the net effect is an inflow to the Public Schools. The decrease in the projected number of drop-outs is also due to decreasing population.

AGE	YEAR= 0	YEAR= 1	YEAR= 2	YEAR= 3	YEAR= 4	YEAR= 5	YEAR= 6
1	7381.	8293.	8412.	8605.	8783.	8943.	9186.
2	8615.	8277.	8497.	8700.	8893.	9067.	9224.
3	9249.	8857.	8574.	8791.	8994.	9181.	9351.
4	9883.	9435.	9098.	8870.	9085.	9265.	9468.
5	10306.	10032.	9626.	9340.	9167.	9379.	9576.
6	10729.	10398.	10141.	9807.	9582.	9463.	9673.
7	10967.	10782.	10489.	10270.	9993.	9834.	9760.
8	[illegible]	[illegible]	10836.	10580.	10399.	10178.	10066.
9	11444.	11216.	11033.	10890.	10673.	10527.	10364.
10	11537.	11432.	11227.	11066.	10944.	10765.	10656.
11	11630.	11515.	11420.	11239.	11099.	10997.	10857.
12	11723.	11597.	11493.	11408.	11249.	11132.	11051.
13	11816.	11678.	11565.	11472.	11395.	11260.	11165.
14	11392.	11758.	11634.	11532.	11450.	11384.	11271.
15	11337.	11336.	11701.	11590.	11509.	11428.	11371.
16	11276.	11317.	11320.	11643.	11545.	11467.	11407.
17	10915.	11075.	11296.	11304.	11586.	11501.	11435.
18	9753.	10831.	11073.	11276.	11288.	11529.	11456.
19	6692.	8967.	10848.	11072.	11255.	11272.	11471.
20	6949.	7101.	9180.	10864.	11073.	11235.	11257.

Montgomery County Population Forecast (continued)

AGE	YEAR= 7	YEAR= 8	YEAR= 9	YEAR= 10
1	[illegible]	9315.	[illegible]	9461.
2	9347.	9487.	9582.	[illegible]
3	[illegible]	[illegible]	[illegible]	[illegible]
4	9435.	9784.	9914.	10025.
5	9774.	9919.	10064.	10190.
6	9844.	10244.	10203.	10344.
7	9367.	10157.	10231.	10437.
8	10057.	10261.	10448.	10619.
9	[illegible]	[illegible]	10554.	10739.
10	10590.	10549.	10650.	10848.
11	10788.	10736.	10791.	10946.
12	10949.	10914.	10922.	11033.
13	11109.	[illegible]	11043.	11109.
14	11193.	11139.	11133.	11172.
15	[illegible]	11223.	11232.	11225.
16	11359.	11293.	11254.	11266.
17	11385.	11347.	11315.	11297.
18	11402.	11363.	11335.	11316.
19	11412.	11370.	11341.	11323.
20	11414.	11358.	11337.	11320.

5"

2"

MONTGOMERY COUNTY ENROLMENT FORECASTS
EXTRAPOLATION OF 1969-70 RATES

PUBLIC SCHOOLS GRADES K-6

YEAR	
1970	67863.
1971	64626.
1972	61951.
1973	59349.
1974	57042.
1975	55677.
1976	54981.
1977	55140.
1978	55717.
1979	56507.
1980	57377.

MONTGOMERY COUNTY ENROLMENT FORECASTS
EXTRAPOLATION OF 1969-70 RATES

PUBLIC SCHOOLS GRADES 7-9

YEAR	
1970	29570.
1971	29082.
1972	28696.
1973	28251.
1974	27793.
1975	26955.
1976	26215.
1977	24851.
1978	23957.
1979	23285.
1980	23411.

MONTGOMERY COUNTY ENROLMENT FORECASTS
EXTRAPOLATION OF 1969-70 RATES

PUBLIC SCHOOLS GRADES 10-12

YEAR	
1970	28412.
1971	28096.
1972	27855.
1973	27409.
1974	26918.
1975	26636.
1976	26273.
1977	25940.
1978	25263.
1979	24694.
1980	23559.

MONTGOMERY COUNTY ENROLMENT FORECASTS
EXTRAPOLATION OF 1969-70 RATES

PUBLIC SCHOOLS GRADES K-12

YEAR	
1971	125345.
1972	122008.
1973	118497.
1974	115009.
1975	111753.
1976	108246.
1977	105931.
1978	104936.
1979	104485.
1980	104347.

MONTGOMERY COUNTY ENROLMENT FORECASTS
EXTRAPOLATION OF 1969-70 RATES

NON-CATHOLIC PRIVATE SCHOOLS GRADES K-6

YEAR	
1970	4339.
1971	4301.
1972	4290.
1973	4279.
1974	4231.
1975	4239.
1976	4274.
1977	4301.
1978	4349.
1979	4412.
1980	4479.

MONTGOMERY COUNTY ENROLMENT FORECASTS
EXTRAPOLATION OF 1969-70 RATES

NON-CATHOLIC PRIVATE SCHOOLS GRADES 7-9

YEAR	
1970	1183.
1971	1153.
1972	1154.
1973	1169.
1974	1236.
1975	1245.
1976	1262.
1977	1273.
1978	1304.
1979	1334.
1980	1342.

MONTGOMERY COUNTY ENROLMENT FORECASTS
EXTRAPOLATION OF 1969-70 RATES

NON-CATHOLIC PRIVATE SCHOOLS GRADES 10-12

YEAR	
1970	1264.
1971	1283.
1972	1239.
1973	1267.
1974	1281.
1975	1281.
1976	1243.
1977	1310.
1978	1323.
1979	1343.
1980	1362.

MONTGOMERY COUNTY ENROLMENT FORECASTS
EXTRAPOLATION OF 1969-70 RATES

NON-CATHOLIC PRIVATE SCHOOLS GRADES K-12

YEAR	
1970	6682.
1971	6707.
1972	6683.
1973	6715.
1974	6696.
1975	6714.
1976	6779.
1977	6883.
1978	6976.
1979	7099.
1980	7183.

MONTGOMERY COUNTY ENROLMENT FORECASTS
EXTRAPOLATION OF 1969-70 RATES

CATHOLIC SCHOOLS GRADES K-8

YEAR	
1970	10802.
1971	9945.
1972	9196.
1973	8628.
1974	8080.
1975	7681.
1976	7415.
1977	7263.
1978	7257.
1979	7337.
1980	7440.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
EXTRAPOLATION OF 1969-70 RATES

CATHOLIC SCHOOLS GRADES 9-12

YEAR	
1970	2734.
1971	2640.
1972	2510.
1973	2350.
1974	2216.
1975	2046.
1976	1927.
1977	1825.
1978	1677.
1979	1555.
1980	1468.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
EXTRAPOLATION OF 1969-70 RATES

CATHOLIC SCHOOLS GRADES K-12

YEAR	
1970	13333.
1971	12585.
1972	11706.
1973	10978.
1974	10296.
1975	9747.
1976	9327.
1977	9087.
1978	8934.
1979	8892.
1980	8909.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
EXTRAPOLATION OF 1969-70 RATES

RESULTS FROM GRADES K-7, TOTAL FOR ALL SCHOOLS

YEAR	
1970	[illegible]
1971	1783.
1972	1739.
1973	1662.
1974	1609.
1975	1555.
1976	1500.
1977	1474.
1978	1459.
1979	1471.
1980	1490.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
EXTRAPOLATION OF 1969-70 RATES

DROPOUTS FROM THE 8TH GRADE, TOTAL FOR ALL SCHOOLS

YEAR	
[illegible]	[illegible]
1971	655.
1972	616.
1973	589.
1974	543.
1975	492.
[illegible]	454.
1977	432.
1978	395.
1979	361.
1980	329.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
EXTRAPOLATION OF 1969-70 RATES

DROPOUTS FROM GRADES 9-12, TOTAL FOR ALL SCHOOLS

YEAR	
[illegible]	[illegible]
1971	1397.
1972	1378.
1973	1359.
1974	1323.
1975	1280.
1976	1234.
1977	1266.
1978	1244.
1979	1214.
1980	1171.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
EXTRAPOLATION OF 1969-70 RATES

DROPOUTS FROM GRADE 12, TOTAL FOR ALL SCHOOLS

YEAR	
[illegible]	[illegible]
1971	36.
1972	36.
1973	32.
1974	34.
1975	33.
[illegible]	31.
1977	28.
1978	30.
1979	28.
1980	29.

MONTGOMERY COUNTY ENROLMENT FORECASTS
EXTRAPOLATION OF 1969-70 RATES

8TH GRADE GRADUATES, TOTAL FOR ALL SCHOOLS

YEAR	
1970	11105.
1971	10981.
1972	10622.
1973	10457.
1974	10399.
1975	10084.
1976	9730.
1977	9511.
1978	9295.
1979	8940.
1980	8648.

MONTGOMERY COUNTY ENROLMENT FORECASTS
EXTRAPOLATION OF 1969-70 RATES

HIGH SCHOOL GRADUATES, TOTAL FOR ALL SCHOOLS

YEAR	
1970	9[illegible]5.
1971	9832.
1972	9919.
1973	9995.
1974	9632.
1975	9369.
1976	9127.
1977	9023.
1978	9006.
1979	8767.
1980	8795.

MONTGOMERY COUNTY ENROLMENT FORECASTS
1971-PL, CATHOLIC SCHOOLS, GRADES K-9 CLOSED, HIGH SCHOOLS REDUCED BY 50 PERCENT

PUBLIC SCHOOLS GRADES K-6

YEAR	
1970	63161.
1971	64927.
1972	62264.
1973	60109.
1974	58234.
1975	57413.
1976	57837.
1977	58420.
1978	59892.
1979	61574.
1980	63363.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
1970-80, CATHOLIC SCHOOLS, GRADES K-8 CLOSED, HIGH SCHOOLS REDUCED BY 50 PERCENT

PUBLIC SCHOOLS GRADES 7-9

YEAR	
1970	29572.
1971	29101.
1972	28562.
1973	28528.
1974	28316.
1975	27637.
1976	27163.
1977	25974.
1978	25240.
1979	24958.
1980	25359.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
1970-80, CATHOLIC SCHOOLS, GRADES K-8 CLOSED, HIGH SCHOOLS REDUCED BY 50 PERCENT

PUBLIC SCHOOLS GRADES 10-12

YEAR	
1970	28412.
1971	28331.
1972	27912.
1973	27569.
1974	26998.
1975	26798.
1976	26568.
1977	26340.
1978	25789.
1979	25309.
1980	24298.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
1970-80, CATHOLIC SCHOOLS, GRADES K-8 CLOSED, HIGH SCHOOLS REDUCED BY 50 PERCENT

PUBLIC SCHOOLS GRADES K-12

YEAR	
1970	125345.
1971	122260.
1972	119028.
1973	116186.
1974	113539.
1975	111847.
1976	111065.
1977	110443.
1978	110090.
1979	111940.
1980	113219.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
197[illegible], CATHOLIC SCHOOLS, GRADES K-9 CLOSED, HIGH SCHOOLS REDUCED BY 50 PERCENT

NON-CATHOLIC PRIVATE SCHOOLS GRADES K-6

YEAR	
[illegible]	[illegible]
1971	4301.
[illegible]	[illegible]
1973	4278.
1974	4229.
1975	4237.
[illegible]	4271.
1977	4296.
[illegible]	4343.
1979	4414.
[illegible]	4469.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
197[illegible], CATHOLIC SCHOOLS, GRADES K-9 CLOSED, HIGH SCHOOLS REDUCED BY 50 PERCENT

NON-CATHOLIC PRIVATE SCHOOLS GRADES 7-9

YEAR	
[illegible]	[illegible]
1971	1153.
[illegible]	1154.
1973	1169.
1974	1235.
1975	1263.
[illegible]	[illegible]
1977	1268.
[illegible]	1297.
1979	1323.
[illegible]	1337.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
197[illegible], CATHOLIC SCHOOLS, GRADES K-9 CLOSED, HIGH SCHOOLS REDUCED BY 50 PERCENT

NON-CATHOLIC PRIVATE SCHOOLS GRADES 10-12

YEAR	
[illegible]	[illegible]
1971	1253.
[illegible]	1240.
1973	1267.
1974	1292.
1975	1292.
[illegible]	1295.
1977	1310.
1978	1321.
1979	1340.
[illegible]	1357.

MONTGOMERY COUNTY ENROLMENT FORECASTS
1971-80, CATHOLIC SCHOOLS, GRADES K-8 CLOSED, HIGH SCHOOLS REDUCED BY 50 PERCENT

NON-CATHOLIC PRIVATE SCHOOLS GRADES K-12

YEAR	
1970	6662.
1971	6707.
1972	6694.
1973	6734.
1974	6895.
1975	6732.
1976	6775.
1977	6874.
1978	6981.
1979	7067.
1980	7153.

MONTGOMERY COUNTY ENROLMENT FORECASTS
1971-80, CATHOLIC SCHOOLS, GRADES K-8 CLOSED, HIGH SCHOOLS REDUCED BY 50 PERCENT

CATHOLIC SCHOOLS GRADES K-8

YEAR	
1970	9933.
1971	9723.
1972	9550.
1973	7371.
1974	4490.
1975	5110.
1976	4129.
1977	3353.
1978	2169.
1979	1099.
1980	0.

MONTGOMERY COUNTY ENROLMENT FORECASTS
1971-80, CATHOLIC SCHOOLS, GRADES K-8 CLOSED, HIGH SCHOOLS REDUCED BY 50 PERCENT

12TH GRADE GRADUATES, TOTAL FOR ALL SCHOOLS

YEAR	
1970	11113.
1971	10981.
1972	10647.
1973	10469.
1974	10491.
1975	10394.
1976	10186.
1977	9709.
1978	9314.
1979	8912.
1980	9010.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
1971-80, CATHOLIC SCHOOLS, GRADES K-8 CLOSED, HIGH SCHOOLS REDUCED BY 50 PERCENT

HIGH SCHOOL GRADUATES, TOTAL FOR ALL SCHOOLS

YEAR	
1970	[illegible]
1971	9832.
1972	9920.
1973	9596.
1974	9634.
1975	9331.
1976	9150.
1977	9033.
1978	9088.
1979	8894.
1980	8932.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
5 PERCENT GROWTH IN NON-PUBLIC ENROLLMENTS FOR YRS 1971-75, CONSTANT AFTER 1975

PUBLIC SCHOOLS GRADES K-6

YEAR	
1970	61363.
1971	63483.
1972	59482.
1973	55968.
1974	52487.
1975	50216.
1976	49331.
1977	49611.
1978	50275.
1979	51206.
1980	52235.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
5 PERCENT GROWTH IN NON-PUBLIC ENROLLMENTS FOR YRS 1971-75, CONSTANT AFTER 1975

PUBLIC SCHOOLS GRADES 7-9

YEAR	
1970	29570.
1971	28516.
1972	27607.
1973	26595.
1974	25715.
1975	24385.
1976	22191.
1977	21508.
1978	20417.
1979	19680.
1980	19798.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
5 PERCENT GROWTH IN NON-PUBLIC ENROLLMENTS FOR YRS 1971-75, CONSTANT AFTER 1975

PUBLIC SCHOOLS GRADES 10-12

YEAR	
[illegible]	26412.
1971	29068.
1972	27372.
1973	26644.
1974	25627.
[illegible]	24889.
[illegible]	24168.
1977	23693.
1978	22624.
1979	21730.
1980	20832.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
5 PERCENT GROWTH IN NON-PUBLIC ENROLLMENTS FOR YRS 1971-75, CONSTANT AFTER 1975

PUBLIC SCHOOLS GRADES K-12

YEAR	
[illegible]	125345.
1971	128669.
1972	124461.
1973	109107.
1974	103929.
[illegible]	99390.
[illegible]	96769.
1977	94782.
1978	93307.
[illegible]	92616.
1980	92355.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
3 PERCENT GROWTH IN NON-PUBLIC ENROLLMENTS FOR YRS 1971-75, CONSTANT AFTER 1975

NON-CATHOLIC PRIVATE SCHOOLS GRADES K-6

YEAR	
[illegible]	4239.
1971	4451.
1972	4662.
1973	4873.
1974	5185.
[illegible]	5301.
[illegible]	5299.
1977	5299.
1978	5299.
1979	5299.
1980	5300.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
5 PERCENT GROWTH IN NON-PUBLIC ENROLLMENTS FOR YRS 1971-75, CONSTANT AFTER 1975

NON-CATHOLIC PRIVATE SCHOOLS GRADES 7-9

YEAR	
197[illegible]	[illegible]
1971	1342.
1972	1392.
1973	1441.
1974	1421.
1975	1479.
1976	1478.
1977	1479.
1978	1478.
1979	1479.
1980	1479.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
5 PERCENT GROWTH IN NON-PUBLIC ENROLLMENTS FOR YRS 1971-75, CONSTANT AFTER 1975

NON-CATHOLIC PRIVATE SCHOOLS GRADES 10-12

YEAR	
197[illegible]	[illegible]
1971	1322.
1972	1386.
1973	1448.
1974	1512.
1975	1575.
1976	1574.
1977	1575.
1978	1574.
1979	1574.
1980	1574.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
5 PERCENT GROWTH IN NON-PUBLIC ENROLLMENTS FOR YRS 1971-75, CONSTANT AFTER 1975

NON-CATHOLIC PRIVATE SCHOOLS GRADES K-12

YEAR	
197[illegible]	[illegible]
1971	7035.
1972	7390.
1973	7681.
1974	8119.
1975	8354.
1976	8351.
1977	8351.
1978	8351.
1979	8351.
1980	8353.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
5 PERCENT GROWTH IN NON-PUBLIC ENROLLMENTS FOR YRS 1971-75, CONSTANT AFTER 1975

CATHOLIC SCHOOLS GRADES K-8

YEAR	
1970	10812.
1971	11343.
1972	11862.
1973	12426.
1974	12963.
1975	13514.
1976	13511.
1977	13512.
1978	13502.
1979	13511.
1980	13512.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
5 PERCENT GROWTH IN NON-PUBLIC ENROLLMENTS FOR YRS 1971-75, CONSTANT AFTER 1975

CATHOLIC SCHOOLS GRADES 9-12

YEAR	
1970	2734.
1971	2871.
1972	3008.
1973	3143.
1974	3283.
1975	3417.
1976	3418.
1977	3417.
1978	3419.
1979	3418.
1980	3418.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
5 PERCENT GROWTH IN NON-PUBLIC ENROLLMENTS FOR YRS 1971-75, CONSTANT AFTER 1975

CATHOLIC SCHOOLS GRADES K-12

YEAR	
1970	13546.
1971	14214.
1972	14890.
1973	15569.
1974	16246.
1975	16931.
1976	16929.
1977	16919.
1978	16921.
1979	16919.
1980	16920.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
5 PERCENT GROWTH IN NON-PUBLIC ENROLLMENTS FOR YRS 1971-75, CONSTANT AFTER 1975

DROPOUTS FROM GRADES K-7, TOTAL FOR ALL SCHOOLS

YEAR	
1970	0.
1971	1793.
1972	1783.
1973	1729.
1974	1706.
1975	1692.
1976	1663.
1977	1649.
1978	1639.
1979	1649.
1980	1663.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
5 PERCENT GROWTH IN NON-PUBLIC ENROLLMENTS FOR YRS 1971-75, CONSTANT AFTER 1975

DROPOUTS FROM THE 8TH GRADE, TOTAL FOR ALL SCHOOLS

YEAR	
1970	0.
1971	655.
1972	689.
1973	723.
1974	756.
1975	789.
1976	824.
1977	825.
1978	827.
1979	830.
1980	831.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
5 PERCENT GROWTH IN NON-PUBLIC ENROLLMENTS FOR YRS 1971-75, CONSTANT AFTER 1975

DROPOUTS FROM GRADES 9-12, TOTAL FOR ALL SCHOOLS

YEAR	
1970	0.
1971	1397.
1972	1372.
1973	1355.
1974	1311.
1975	1272.
1976	1243.
1977	1219.
1978	1185.
1979	1147.
1980	1092.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
5 PERCENT GROWTH IN NON-PUBLIC ENROLLMENTS FOR YRS 1971-75, CONSTANT AFTER 1975

DROPOUTS FROM GRADE 12, TOTAL FOR ALL SCHOOLS

YEAR	
1970	30.
1971	36.
1972	38.
1973	40.
1974	41.
1975	43.
1976	45.
1977	45.
1978	45.
1979	45.
1980	45.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
5 PERCENT GROWTH IN NON-PUBLIC ENROLLMENTS FOR YRS 1971-75, CONSTANT AFTER 1975

8TH GRADE GRADUATES, TOTAL FOR ALL SCHOOLS

YEAR	
1970	11105.
1971	10881.
1972	10549.
1973	10265.
1974	10175.
1975	9746.
1976	9510.
1977	9014.
1978	8709.
1979	8030.
1980	8004.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
1971-80, CATHOLIC SCHOOLS, GRADES K-8 CLOSED, HIGH SCHOOLS REDUCED BY 5% PERCENT

CATHOLIC SCHOOLS GRADES 9-12

YEAR	
1970	2734.
1971	2601.
1972	2466.
1973	2327.
1974	2190.
1975	2054.
1976	1917.
1977	1781.
1978	1644.
1979	1507.
1980	1371.

MONTGOMERY COUNTY ENROLMENT FORECASTS
1971-80, CATHOLIC SCHOOLS, GRADES K-8 CLOSED, HIGH SCHOOLS REDUCED BY 50 PERCENT

CATHOLIC SCHOOLS GRADES K-12

YEAR	
1970	13536.
1971	12330.
1972	11115.
1973	9897.
1974	8679.
1975	7464.
1976	6245.
1977	5031.
1978	3813.
1979	2595.
1980	1371.

MONTGOMERY COUNTY ENROLMENT FORECASTS
1971-80, CATHOLIC SCHOOLS, GRADES K-8 CLOSED, HIGH SCHOOLS REDUCED BY 50 PERCENT

DROPOUTS FROM GRADES K-7, TOTAL FOR ALL SCHOOLS

YEAR	
1970	0.
1971	1783.
1972	1731.
1973	1646.
1974	1585.
1975	1522.
1976	1467.
1977	1414.
1978	1378.
1979	1365.
1980	1358.

MONTGOMERY COUNTY ENROLMENT FORECASTS
1971-80, CATHOLIC SCHOOLS, GRADES K-8 CLOSED, HIGH SCHOOLS REDUCED BY 50 PERCENT

DROPOUTS FROM THE 8TH GRADE, TOTAL FOR ALL SCHOOLS

YEAR	
1970	0.
1971	655.
1972	591.
1973	526.
1974	461.
1975	395.
1976	331.
1977	265.
1978	199.
1979	133.
1980	66.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
1971-80, CATHOLIC SCHOOLS, GRADES K-8 CLOSED, HIGH SCHOOLS REDUCED BY 50 PERCENT

DROPOUTS FROM GRADES 9-12, TOTAL FOR ALL SCHOOLS

YEAR	
1971	0.
1972	1397.
1973	1376.
1974	1358.
1975	1324.
1976	1303.
1977	1279.
1978	1260.
1979	1237.
1980	1199.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
1971-80, CATHOLIC SCHOOLS, GRADES K-8 CLOSED, HIGH SCHOOLS REDUCED BY 50 PERCENT

DROPOUTS FROM GRADE 12, TOTAL FOR ALL SCHOOLS

YEAR	
1971	0.
1972	36.
1973	35.
1974	32.
1975	33.
1976	31.
1977	30.
1978	28.
1979	28.
1980	27.

MONTGOMERY COUNTY ENROLLMENT FORECASTS
5 PERCENT GROWTH IN NON-PUBLIC ENROLLMENTS FOR YRS 1971-75, CONSTANT AFTER 1975

HIGH SCHOOL GRADUATES, TOTAL FOR ALL SCHOOLS

YEAR	
1970	0.
1971	9832.
1972	9917.
1973	9998.
1974	9692.
1975	9396.
1976	9162.
1977	8856.
1978	8811.
1979	8469.
1980	8421.

APPENDIX C

RECENT DEVELOPMENTS IN SCHOOL FINANCE

As one considers a bold venture such as a thorough reform of a state's system of public school finance, it is natural and legitimate to have serious reservations. Prior to 1965, so far as is known, there was not a word in the extensive literature of public school finance about the concept of full state funding. The years since, beginning with the questioning of the constitutionality of school finance legislation, have seen a remarkable growth in attention to the issue of inequities in school finance.

The Advisory Commission on Intergovernmental Relations (ACIR), an appointed, bipartisan intergovernmental agency representing federal, state and local branches of government, has recently taken a position on state financing of public elementary and secondary schools. The Commission has recommended that the states assume "substantially all" of the responsibility for financing local schools in order to grant property tax relief and ensure equal educational opportunity. The recommendation envisions replacing property tax revenue with income and sales tax revenues.

-Local schools are claiming more and more of the property tax take. At the beginning of World War II about one-third of all local property tax revenue went to the public schools; now the school share is more than 50%--and still rising.

-Other local public services, the Advisory Commission believes, should have a stronger claim on the local property tax base. State take-over of school costs would give local units of general government--cities, counties, and townships--a new fiscal lease on life. No longer would they be pushed off the local tax preserve by the school boards.

-The proposal is not utopian. At present, New Mexico, North Carolina, Delaware, and Louisiana for example are within striking distance of this goal. And Hawaii for many years have both paid for and administered all its public schools.

-What is involved is the substitution of state income and sales tax dollars for local property tax dollars. The change-over could be gradual. However, as many as 20 states could assume complete responsibility for public school financing in the near future if they would make as intensive use of personal income and sales taxes as the "top ten" states now make on the average.

-When viewed alongside the resulting dramatic decrease in local property tax loads, state assumption of school financing loses its idealistic cast and becomes a realistic and equitable way of readjusting the total tax burden.

-The case for state take-over of the non-Federal share of education costs rests in part on the conviction that this is the best way to make sure that the financial resources underlying public and economic consequences of education are felt far beyond school district boundaries, states no longer can tolerate wide differences in the quality of education offered in its many local districts. Yet so long as each district has wide latitude in setting its own tax levy, great variations both in wealth and willingness to tax are inevitable. And these variables produce wide differences in the fiscal resources behind the students. As a result the quality of education today is shaped in large measure by the accidents of local property tax geography.[1]

[1]Advisory Commission on Intergovernmental Relations, State Aid to Local Government, April, 1969 pp. 4-6

The Commission thus views the concept of full state funding as not only desirable but feasible.

Governor William G. Milliken of Michigan has been endeavoring to achieve broad reform in educational finance in that state for the last two years. In his "Special Message to the Legislature on Excellence in Education--Equity in Taxation" (April 12, 1971), he has called for quality education for every child, a rational system of educational finance and equity of tax burden.

Governor Milliken has proposed the virtual elimination, by constitutional amendment, of the property tax for school operating purposes. In its place, he would substitute an increase in the individual income tax and a value-added tax on businesses. According to his estimates, a 2.3% increase in the individual income tax would compensate for the loss on individually held property. In place of a corporate income tax, which according to him would be too high, he proposes a value-added tax of approximately 2%. The substitution of these taxes for the property tax would probably assure that revenues for education would increase overtime. The increased elasticity of the tax structure would probably eliminate the need for regular increases in education tax rates.

It is difficult to predict what the consequences of the elimination of the property tax would be. What about the apartment dweller, who pays a hidden property tax? Would his rent be reduced? Or, would it remain at the same level while he was obliged to pay increased sales and income taxes? The home-owner might be in a more favorable position, although this is difficult to predict. He would lose the federal income tax exemption on his property tax bill but this would presumably be replaced by exemptions on increased state sales and income taxes. What effect would the removal of the property tax have on the value of individually held property? The removal of the property tax on businesses would obviously have consequences for business location decisions within a state.

Nonetheless, the Milliken Plan would have important consequences. It would remove the necessity for frequent school millage elections. It would replace the stable property tax with taxes which are more responsive to economic growth. It would eliminate the situation wherein some school districts with low tax rates are able to provide adequate levels of education, while others, with high tax rates, are unable to generate sufficient revenue. It would replace a regressive tax with taxes which are proportional and progressive.

The prestigious Committee for Economic Development (CED) in a 1971 report entitled Education for the Urban Disadvantaged has called for basic transformations in the method of financing schools. In the words of the Committee:

-The effort to achieve equality of educational opportunity will require larger school expenditures in disadvantaged areas to function with less money per pupil than their suburban counterparts.

-The crux of this problem is the too great reliance on the property tax for the financing of schools and local government services. In practice, this tax has been notoriously heavier on improvements than on land, and it has been unevenly assessed on both. The property tax base of the cities is steadily eroded by the deterioration of buildings; by the location of freeways, greenbelts, and public housing; and by the movement of industry and well-to-do families to the suburbs. Meanwhile, growth in the costs of urban services are accelerated with the increase in the proportion of welfare clients and other "high cost" citizens and by the

impact of inflation.

The result is that inner-city and poor school districts with the greatest proportion of disadvantaged children have the least financial resources. Moreover, ...state and federal support for education generally discriminates against central cities in the distribution of funds. Rather than offsetting the disparities between central-city and suburban educational finance, this aid from higher levels of government tends to increase these disparities.[2]

Citing the high costs of urban education, the overburdened municipal tax base, unequal and misdirected aid to schools, and state responsibility for schools, the CED has proposed that the states assume responsibility for providing equality of educational opportunity.

As a result of two recent court decisions, the California Supreme Court and the United States District Court in Texas, the California and Texas legislatures will be attempting to revise and reform their school finance schemes. Although no time limitation has been imposed, the final California legislative proposal has been remanded back to the trial court for final approval. Whereas, the three-judge panel in Texas has imposed a two-year limit on the deliberations of the Texas legislature to come up with a solution to provide for remedial action to meet the spirit and purpose of the court's findings. Both court's have found the current financing schemes of California and Texas unconstitutional under the Fourteenth Amendment.

The New York State Commission on Cost, Quality and Financing Elementary and Secondary Education (Fleischman Commission) is completing an extensive study for Governor Nelson Rockefeller of New York State. It is reported they may be recommending full state assumption of the costs of education, imposition of a statewide property tax, stabilization of spending in wealthy districts, and ultimately greater spending in districts with poor, disadvantaged youth.

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[2]CED, Education for the Urban Disadvantaged, pp. 67-68

APPENDIX D

STATEWIDE ADVISORY COMMITTEE MEMBERS

Dr. Frederick Breitenfeld, Jr.
Executive Director
Maryland Center for Public Broadcasting
Bonita Avenue
Owings Mills, Maryland 21117

Melvin J. Sykes
Attorney at Law
906 Munsey Building
Baltimore, Maryland 21202

Dr. Ramsay Thomas
4123 Frederick Avenue
Baltimore, Maryland 21229

Mr. Charles H. Wheatley
Assistant Executive Secretary for Legislation
Maryland State Teachers Association
344 North Charles Street
Baltimore, Maryland 21201

Dr. Paul Cooper
Director, Department of Fiscal Services
Maryland General Assembly
State Treasury Building
Annapolis, Maryland 21404

Mr. Kalman R. Hettleman
5504 Wexford Road
Baltimore, Maryland 21209

Mr. Dennis Crosby
Baltimore Teachers Union
3903 Liberty Heights Avenue
Baltimore, Maryland 21207

Sen. Jervis S. Finney
Maryland State Senate
Annapolis, Maryland 21404

Mr. Alexander Stark
Member of the Baltimore City Council
Equitable Building
Baltimore, Maryland 21202

Mr. Fred Spigler
Administrative Officer for Education
Executive Department
State of Maryland
Annapolis, Maryland 21404

Dr. Donald Reitz
Professor of Education
Loyola College
4501 North Charles Street
Baltimore, Maryland 21210

Dr. Haywood Harrison
Chairman, Education Department
Morgan State College
Hillen Road and Cold Spring Lane
Baltimore, Maryland

Mrs. John D. Loizeaux
15 Burnbrae Road
Towson, Maryland 21204

Mr. Charles W. Willis
437 Giles Road
Bel Air, Maryland 21014

Mr. Charles Saunders
Deputy Commissioner for External Relations
Department of Health, Education and Welfare
Office of Education
Washington, D.C. 20202

Mrs. Gladys Spellman
9004 Golden Pass
Laurel, Maryland 20810

Dr. Richard K. McKay
Director, Division of Research and Development
State Deparrtment of Education
State Office Building
301 W. Preston Street
Baltimore, Maryland 21201

APPENDIX E

WITNESSES TESTIFYING AT THE CITIZENS' COMMISSION PUBLIC HEARINGS

CITIZENS COMMISSION ON MARYLAND GOVERNMENT PUBLIC HEARINGS FOR STUDY OF PUBLIC SCHOOL FINANCE, STRUCTURE AND ACCOUNTABILITY - LIST OF WITNESSES

Annapolis Hearing, May, 1971

Hon. James Clark
State Senator from Howard County

Mr. Maurice A. Dunkle
Superintendent of Schools in Calvert County

Hon. Ann R. Hull
Delegate from Prince George's County

Mr. Douglas P. Wendel
Assistant Director of Administration from Anne Arundel County,
representing Mr. Joseph Alton, Jr., County Executive

Mrs. Phyllis Williams
Member of the Prince George's County School Board, and First Vice President,
Maryland Congress of Parents and Teachers

Baltimore Metropolitan Hearing, May 12, 1971

Mr. John Eddinger
Office of Mayor Thomas D'Alesandro, representing the Mayor

Dr. James A. Sensenbaugh
State Superintendent of Schools

Dr. Irving W. Herrick
Office of Planning, State Department of Education

Mr. Walter E. Bayne
Office of the Budget, Baltimore County, representing Mr. Dale Anderson,
County Executive

Mr. Ted J. Smith
Budget Officer, Baltimore County Department of Education, representing the
County Board and Department of Education

Mrs. Janet C. Chalk
Baltimore County citizen

Dr. Billy D. Hauserman
Associate Dean, Towson State College

Mrs. Mary Waxter
League of Women Voters

Mr. William E. Adams
President, Public School Teachers Association

Hon. Wallace E. Hutton
Delegate from Frederick County

Mrs. Attrices D. Griffin
Community Action Agency

Hon. William Donald Schaefer
President, Baltimore City Council

Montgomery - Prince George's County Hearing, May 19, 1971

Dr. John L. Carnochan, Jr.
Superintendent of Schools in Frederick County

Mr. Frederick K. Schoenbrodt
President, Howard County Board of Education

Mr. Hubert W. Ginnett
President, Prince George's County Council of PTA's

Mr. Kenneth E. Seamon
President, Teachers Association of Baltimore County

Hon. Victor L. Crawford
State Senator from Montgomery County

Hon. Neal Potter
Member of the Montgomery County Council

Dr. Homer O. Elseroad
Superintendent of Schools in Montgomery County

Hon. Lucille S. Maurer
Delegate from Montgomery County

Mr. Brian Benson
Director of Financial Services, Montgomery County Department of Education,
requested to testify by Congressman Gilbert Gude regarding Federal Impact Aid

Mrs. Verna Fletcher
Mrs. Lorraine Reddy
Citizens Committee for Reading, Inc.

Hon. Charles McC. Mathias
U.S. Senator from Maryland

Hon. Parren J. Mitchell
Congressman from 7th Congressional District

Hon. Gilbert Gude
Congressman from 8th Congressional District

Hon. Meyer Emanuel, Jr.
State Senator from Prince George's County

Mrs. Marion Banfield
Mr. Hans Froelicher, Jr.
Co-chairmen, Mayor's Task Force on Equal Rights in Education

Mr. Wilbur S. Hoopengardner
Superintendent of Schools in Caroline County

Mrs. Linda Wengel
Citizens Committee for Education of Baltimore County

Mr. Richard D. Hammond
Executive Vice President, Chamber of Commerce of Frederick County

Mr. William G. Colman
Member, Montgomery County Board of Education, and member of
President Nixon's Commission on School Finance

Mrs. Judith Pinsky
Talbot County citizen